



Segmentation Study



Ipsos Reid

May 2005

Methodology & Objectives





Agenda

- Methodology & Objectives
- Gaming Landscape Review
- Segment Overview: Shifts in Key Segment Dimensions
- Segment Profiles & Shifts
- Awareness & Knowledge of Montana Lottery Games
- Overall Lottery Participation Review
- Individual Product Review
- Ad Awareness
- Awareness & Impact of Profit Distribution
- Other Gaming Review
- Internet Use



Introduction & Methodology

- Segmentation designed to define who lottery players and non-players are and what their motivations and needs are
- This study is a valuable piece of strategic research that can be used for the purposes of annual market planning.
- Segments can also provide input into the design and analysis of future products development
- A total of 800 interviews were conducted with adult residents of Montana between April 8th and April 30th, 2005
- Respondents were recruited via Random Digit Dialing techniques
- County level quotas were set as follows:
 - West 535
 - Central/East 265



The Interview

Interviews took an average of 25 minutes to complete and covered the following topics:

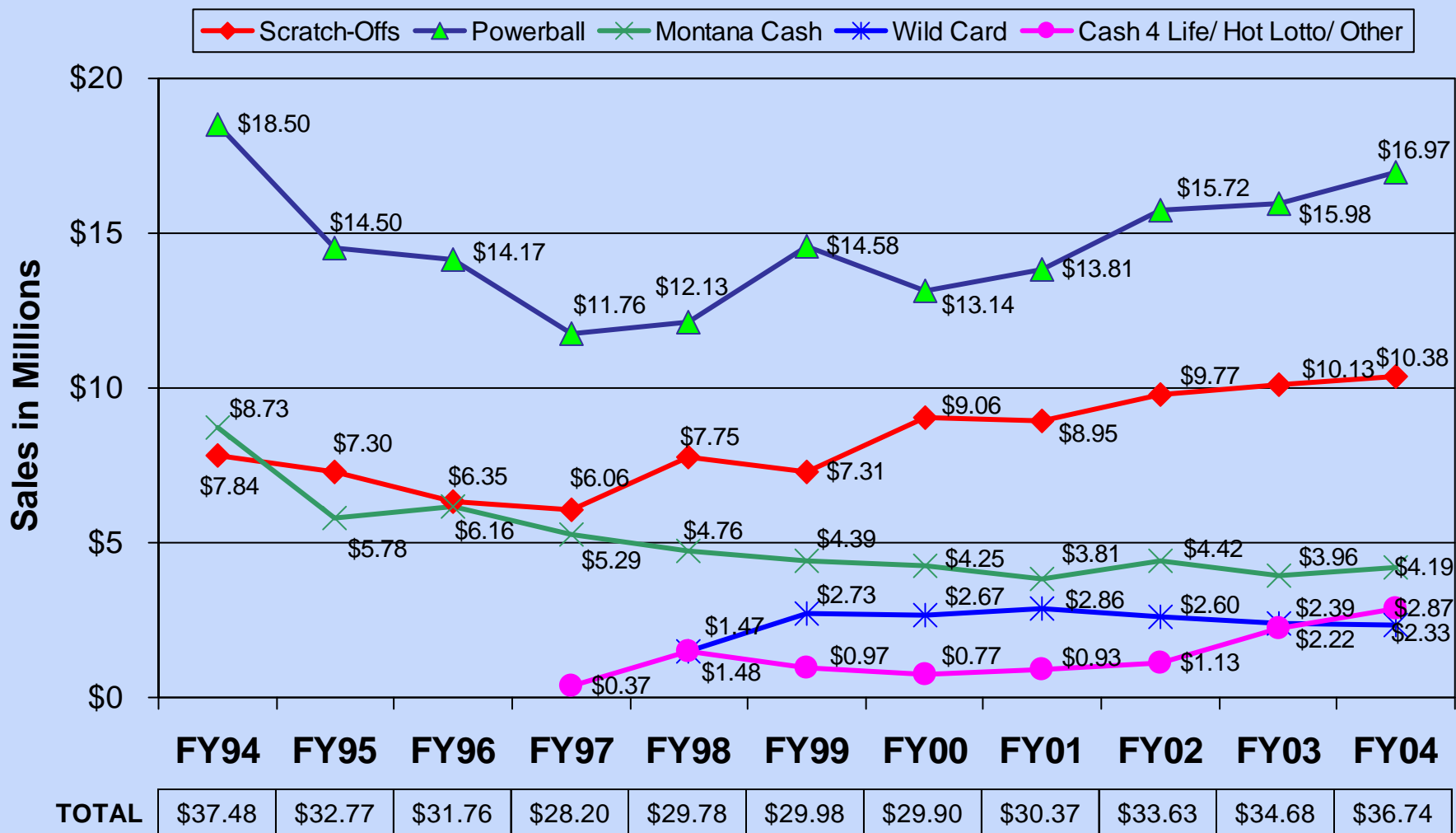
- Lottery game awareness and advertising recall
- Corporate image assessment
- Lottery participation and spending
- Scratch purchase habits and product positioning
- Participation and spending on other forms of gaming
- Policy and attitudes toward gaming
- Psychographics
- Internet use
- Demographics

Gaming Landscape Review





Montana Lottery Game Sales 1994 - 2005





Montana Gambling Activities: Amounts Wagered

Fiscal Year Amounts Wagered and Percentage of Expenditures by Category

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Live Horse Racing						\$3.1	\$2.2	\$2.3	\$2.1	\$1.8	\$1.8	\$2.2
<i>Share of Expenditures</i>						0.48%	0.33%	0.32%	0.29%	0.24%	0.22%	0.25%
Simulcast Racing						\$7.1	\$8.6	\$8.2	\$6.5	\$7.8	\$9.5	\$7.5
<i>Share of Expenditures</i>						1.10%	1.28%	1.16%	0.90%	1.02%	1.18%	0.86%
Live Keno						\$4.6	\$3.9	\$3.5	\$3.8	\$3.8	\$3.5	\$2.9
<i>Share of Expenditures</i>						0.71%	0.58%	0.49%	0.53%	0.50%	0.43%	0.33%
Live Bingo						\$7.7	\$7.9	\$6.8	\$6.7	\$6.3	\$5.2	\$4.8
<i>Share of Expenditures</i>						1.19%	1.18%	0.96%	0.93%	0.83%	0.65%	0.55%
Lottery	\$36.8	\$37.5	\$32.8	\$31.5	\$28.2	\$29.8	\$30	\$29.9	\$30.4	\$33.6	\$34.7	\$36.7
<i>Share of Expenditures</i>	8.41%	7.72%	6.07%	5.64%	4.86%	4.61%	4.48%	4.22%	4.21%	4.41%	4.31%	4.23%
Video Gambling Machines	\$401	\$448	\$508	\$527	\$552	\$593.7	\$617	\$658	\$672.9	\$708.1	\$750.1	\$814.2
<i>Share of Expenditures</i>	91.59%	92.28%	93.93%	94.36%	95.14%	91.90%	92.14%	92.85%	93.15%	93.00%	93.20%	93.77%
Parimutuel	\$9.3	\$10.2	\$9.4	\$9.7	\$10.1							
<i>Share of Expenditures</i>	2.12%	2.10%	1.74%	1.74%	1.74%							
Total Expenditures	\$437.8	\$485.5	\$540.8	\$558.5	\$580.2	\$646	\$669.6	\$708.7	\$722.4	\$761.4	\$804.8	\$868.3

Source: Montana Gambling Control Division Biennial Report FY 2001-2004 (includes FY 1998-2004)

Source: IGWB North American Gaming Reports (includes FY 1993-1997)

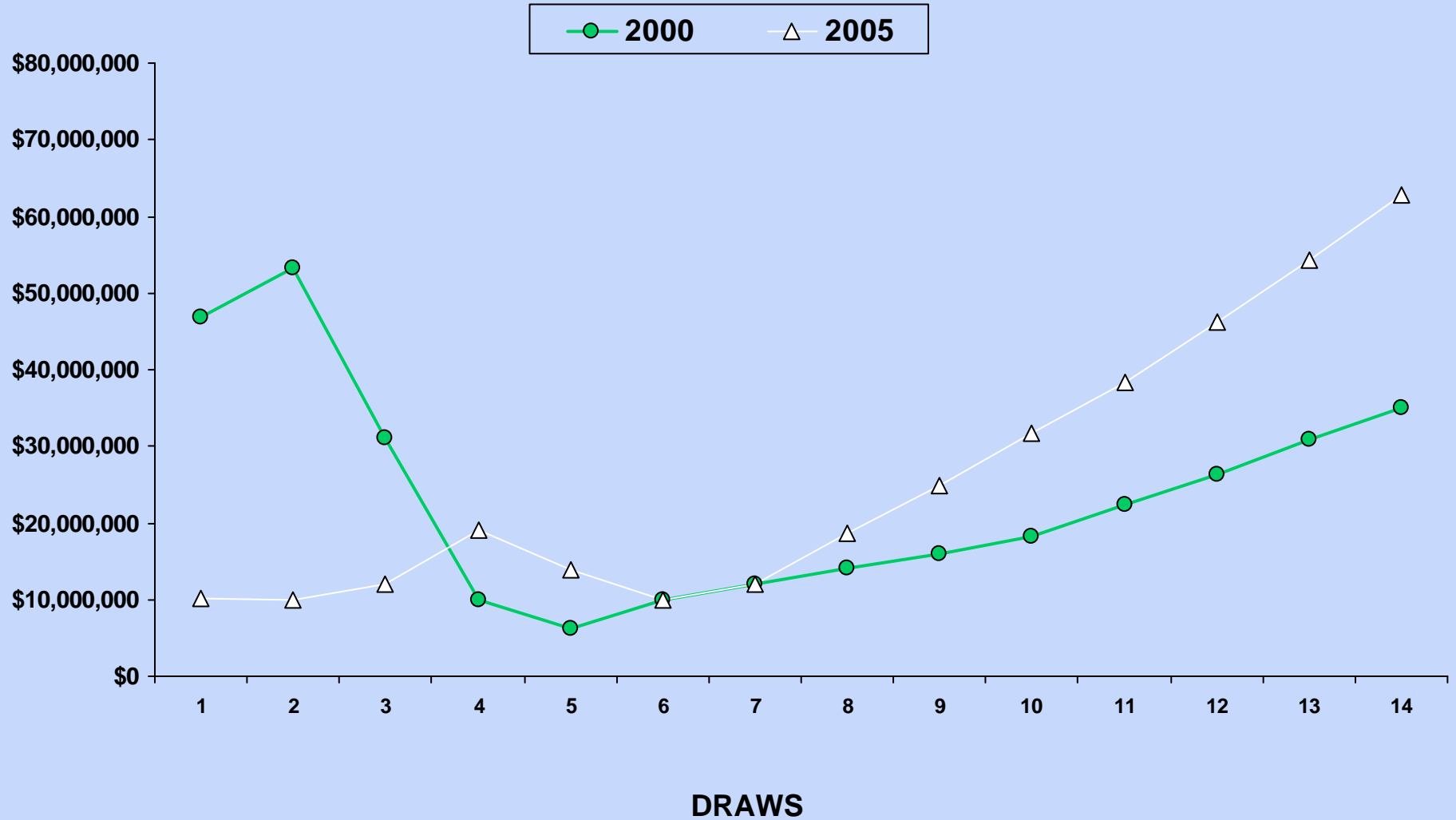


Gaming Participation & Spending Summary

	Played Past 12 Months		Estimated Avg. Annual \$ Per Player		Avg. Number of Occasions	
	2000	2005	2000	2005	2000	2005
All Lottery	58%	50%	\$105	\$108	n/a	n/a
Charity Raffles/Fund-raising	65%	62%	\$102	\$180	6.1	6.2
Resort Casinos	19%	n/a	\$829	n/a	3.9	n/a
Indian Casinos	9%	n/a	\$1,016	n/a	13.2	n/a
Casino of any type	n/a	33%	n/a	\$3,299	n/a	22.4
Video Poker/Keno	42%	36%	\$722	\$2,820	23.0	22.8
Live Keno	18%	10%	\$231	\$332	12.1	14
Non-Casino Bingo Hall	n/a	6%	n/a	\$133	n/a	4.9
Play live Poker	n/a	10%	n/a	\$1,338	n/a	13.9
Internet Gaming (NET)	2%	5%	n/a	\$610	n/a	n/a
All other gaming	82%	78%	\$943	\$2,931	n/a	n/a

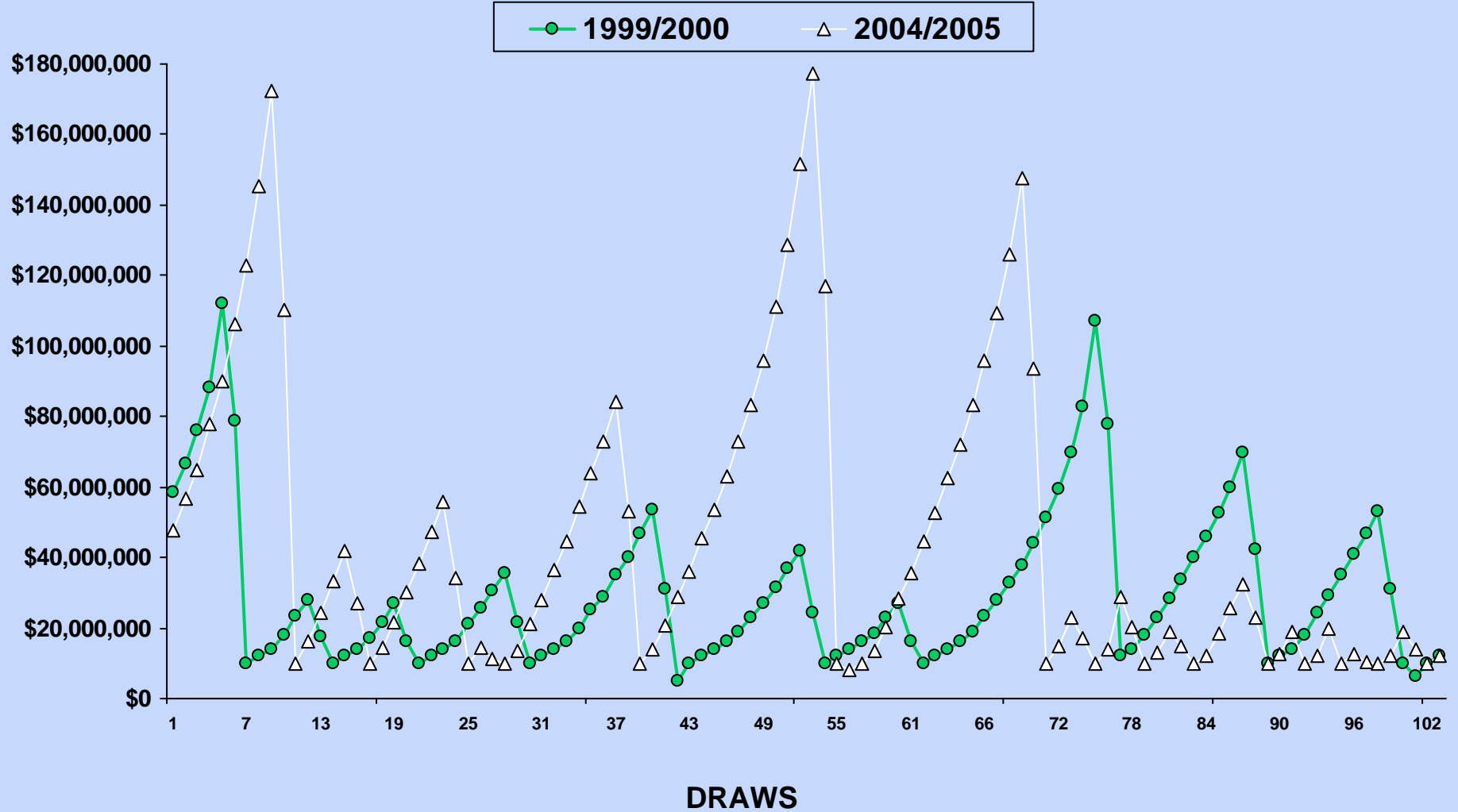


Powerball Jackpots Prior & During Fielding





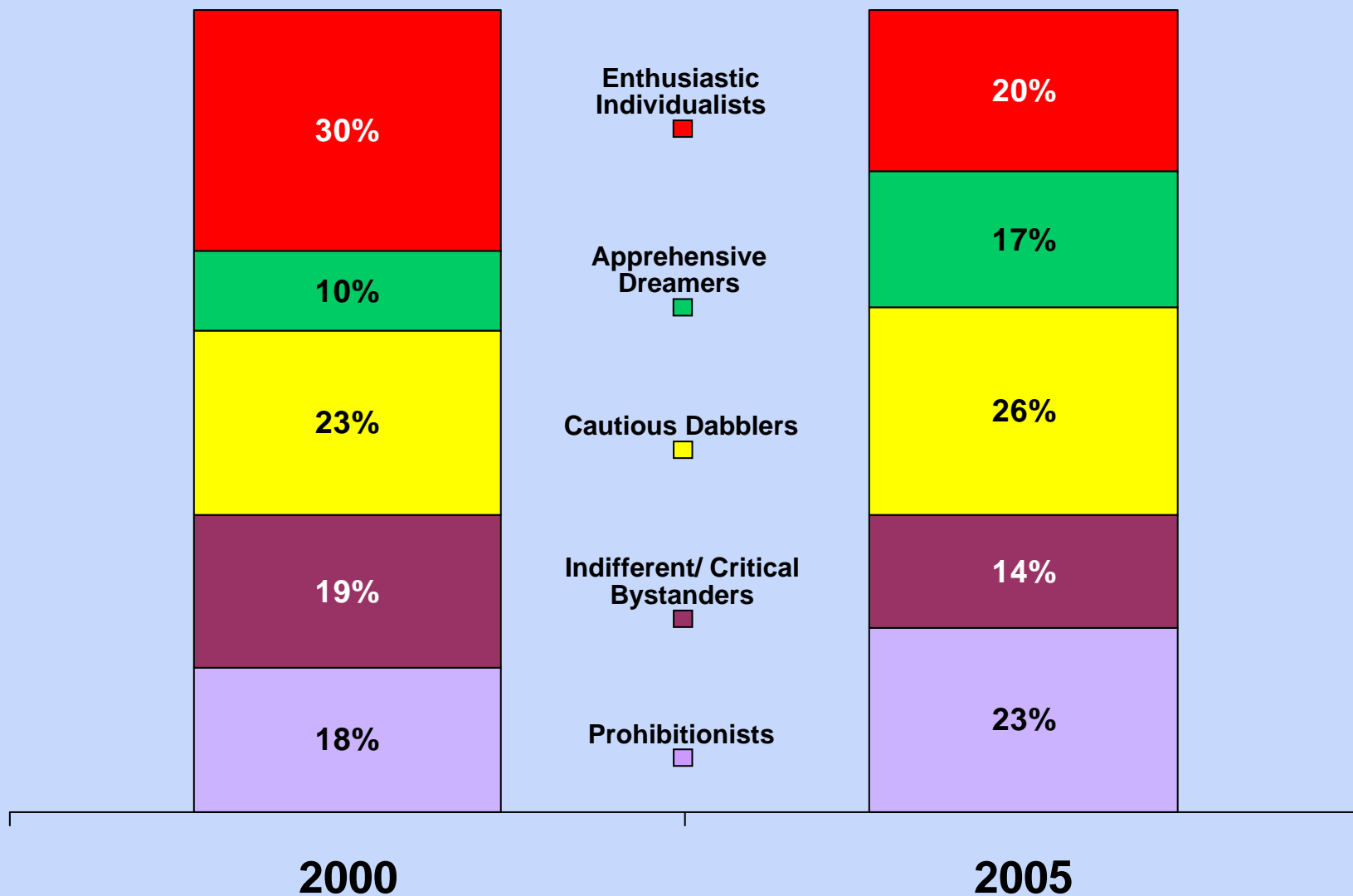
Powerball Jackpots During Year Prior to Fielding



Segment Overview: Shifts in Key Segment Dimensions



Tracking Segment Sizes



Base: All respondents



Market Segments of the Adult Population in Montana

PROHIBITIONISTS

- critical of lottery image and express strong criticism on policy issues
- lowest participation and spending on all lottery and other gaming activities
- highest “harmful” ratings for all gaming activities
- oldest group, on average, with highest proportion of females, and most well educated

CRITICAL BYSTANDERS

- 2nd lowest “harmful” ratings of all gaming activities
- lowest awareness of the Montana Lottery
- least concerned about the past and speed of change in society today
- 2nd lowest overall opinion of Montana Lottery
- second lowest past year lottery spending = \$61

CAUTIOUS DABBLERS

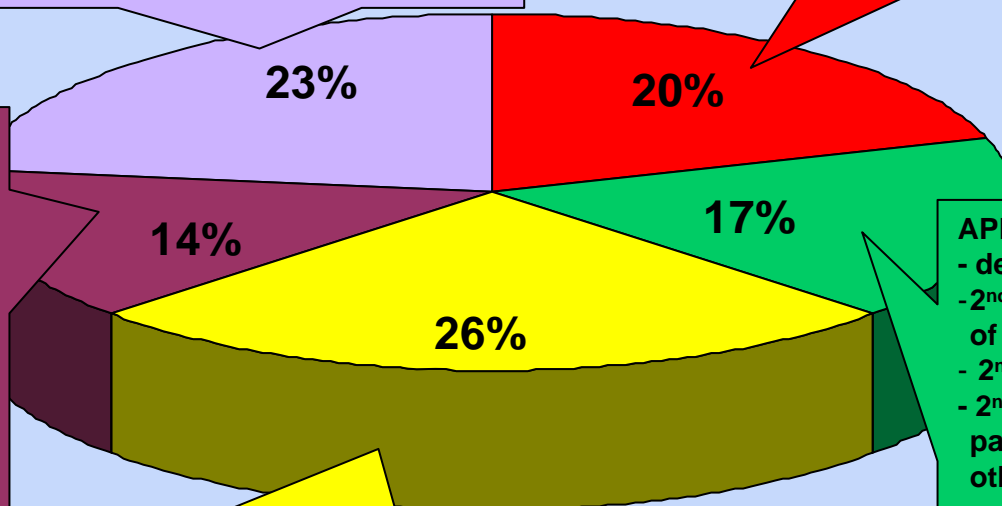
- 3rd highest lottery participation and spending
- past year lottery spending = \$70
- tend to have more negative views about the Lottery
- 3rd lowest overall opinion of Montana Lottery

ETHUSIASTIC INDIVIDUALIST

- liberal “lifestyle” views
- most risk oriented group
- strong individualist views
- most enthusiasm about game attributes
- account for 38% of past year lottery spending
- 2ND highest past year lottery spending = \$130

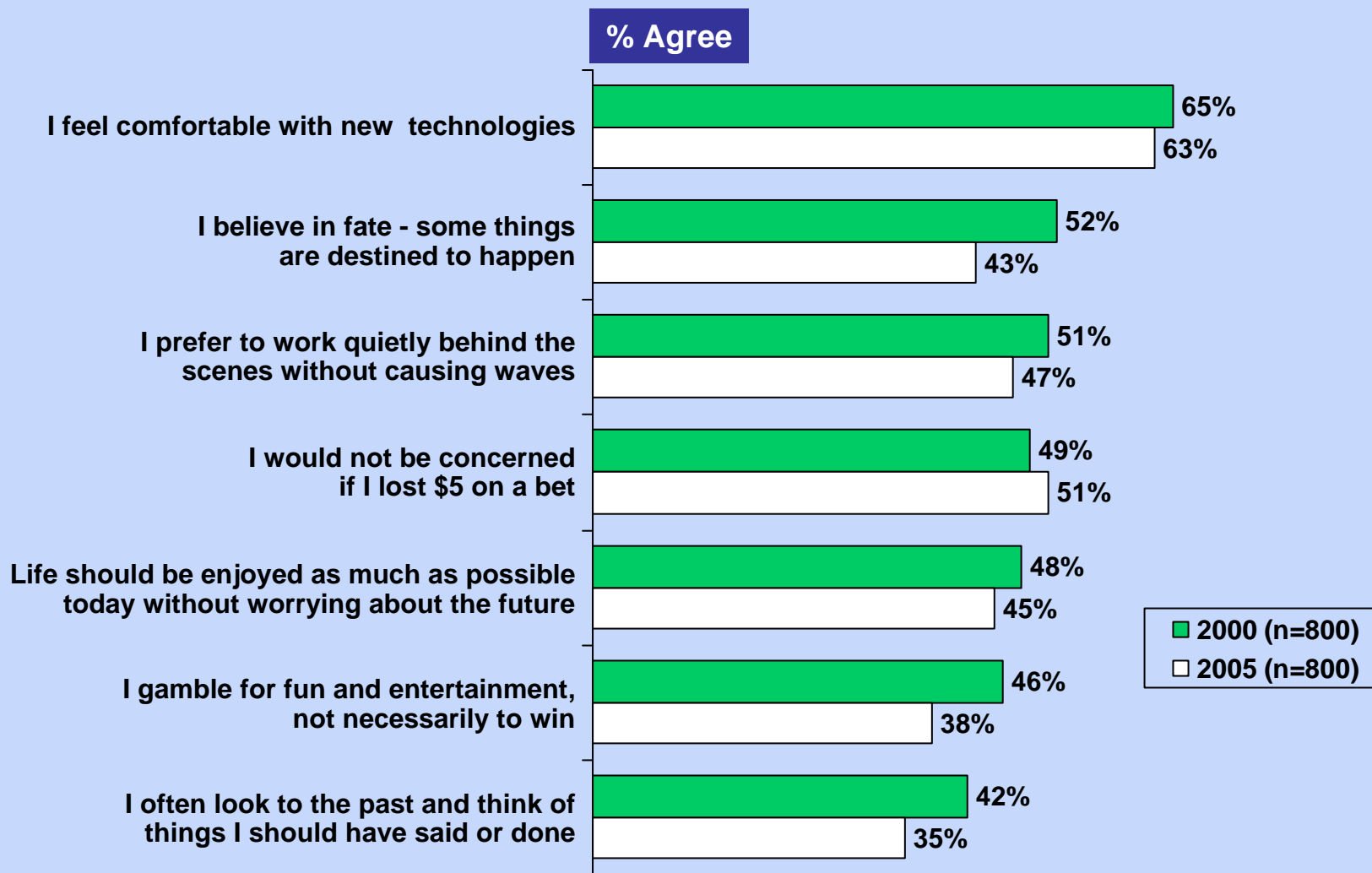
APPREHENSIVE DREAMERS

- demonstrate internal conflict
- 2nd highest “harmful” ratings of all gaming activities
- 2nd highest opinion of lottery
- 2nd highest lottery participation, and 2nd highest other gaming participation & spending
- highest past year lottery spending = \$163
- least well educated with lowest average household income



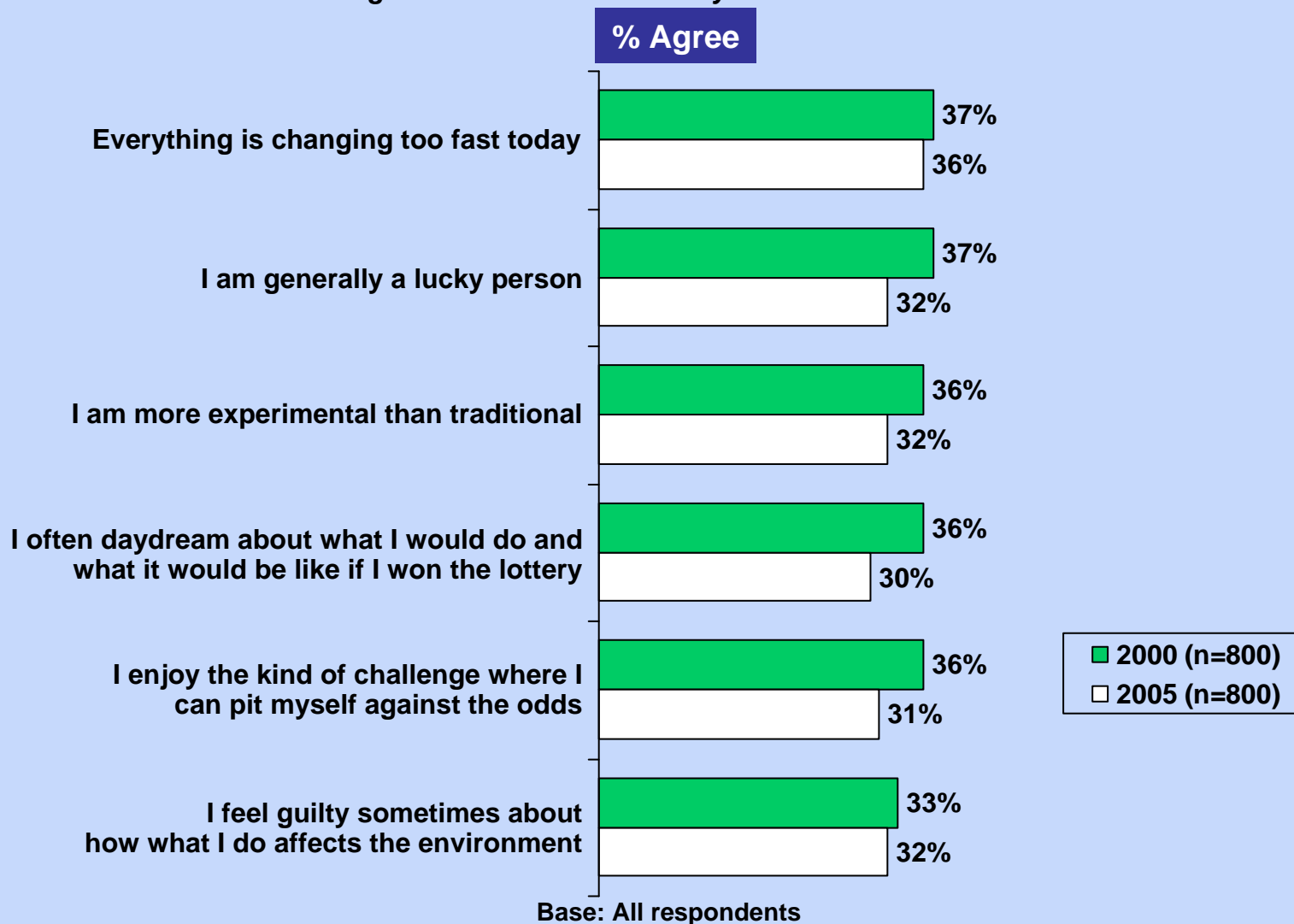
Psychographics

g1. "Now I'm going to read you some general descriptions of how different people approach life. I'd like you to tell me whether you agree or disagree with each statement. Use 1 to 7 where 1 is "Strongly Disagree" and 7 is "Strongly Agree". You can choose any number from 1 to 7."

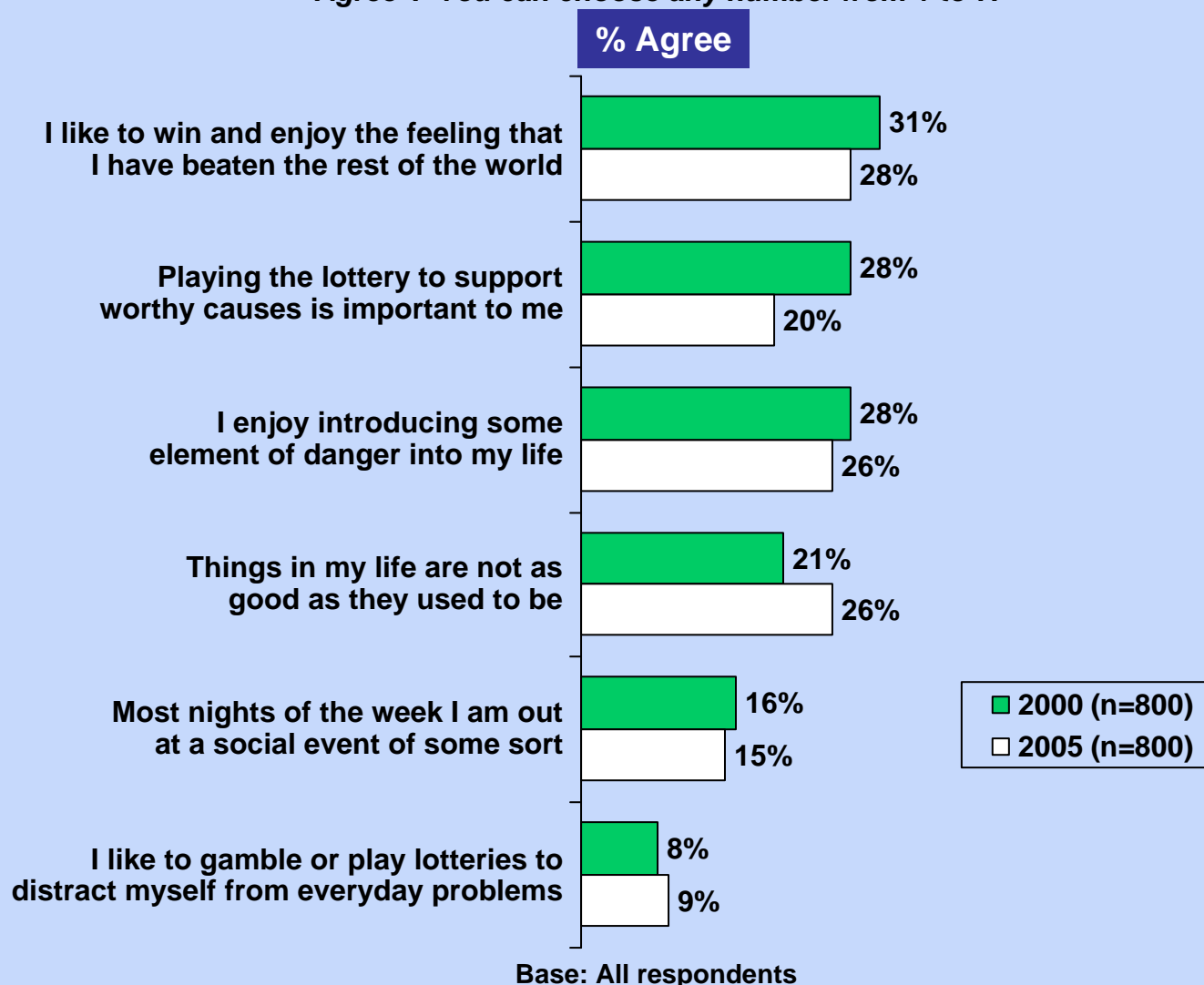


Base: All respondents

g1. "Now I'm going to read you some general descriptions of how different people approach life. I'd like you to tell me whether you agree or disagree with each statement. Use 1 to 7 where 1 is "Strongly Disagree" and 7 is "Strongly Agree". You can choose any number from 1 to 7."



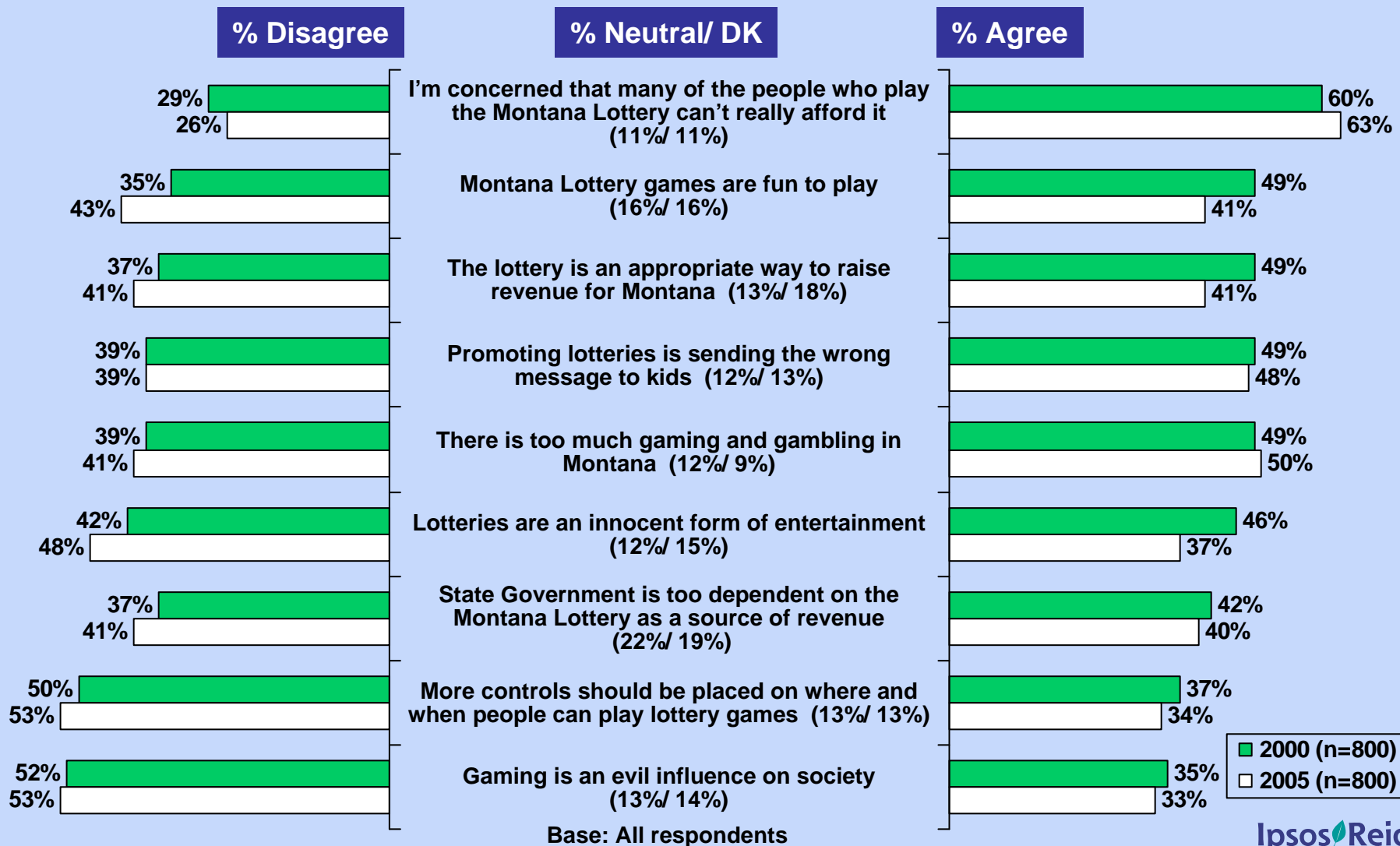
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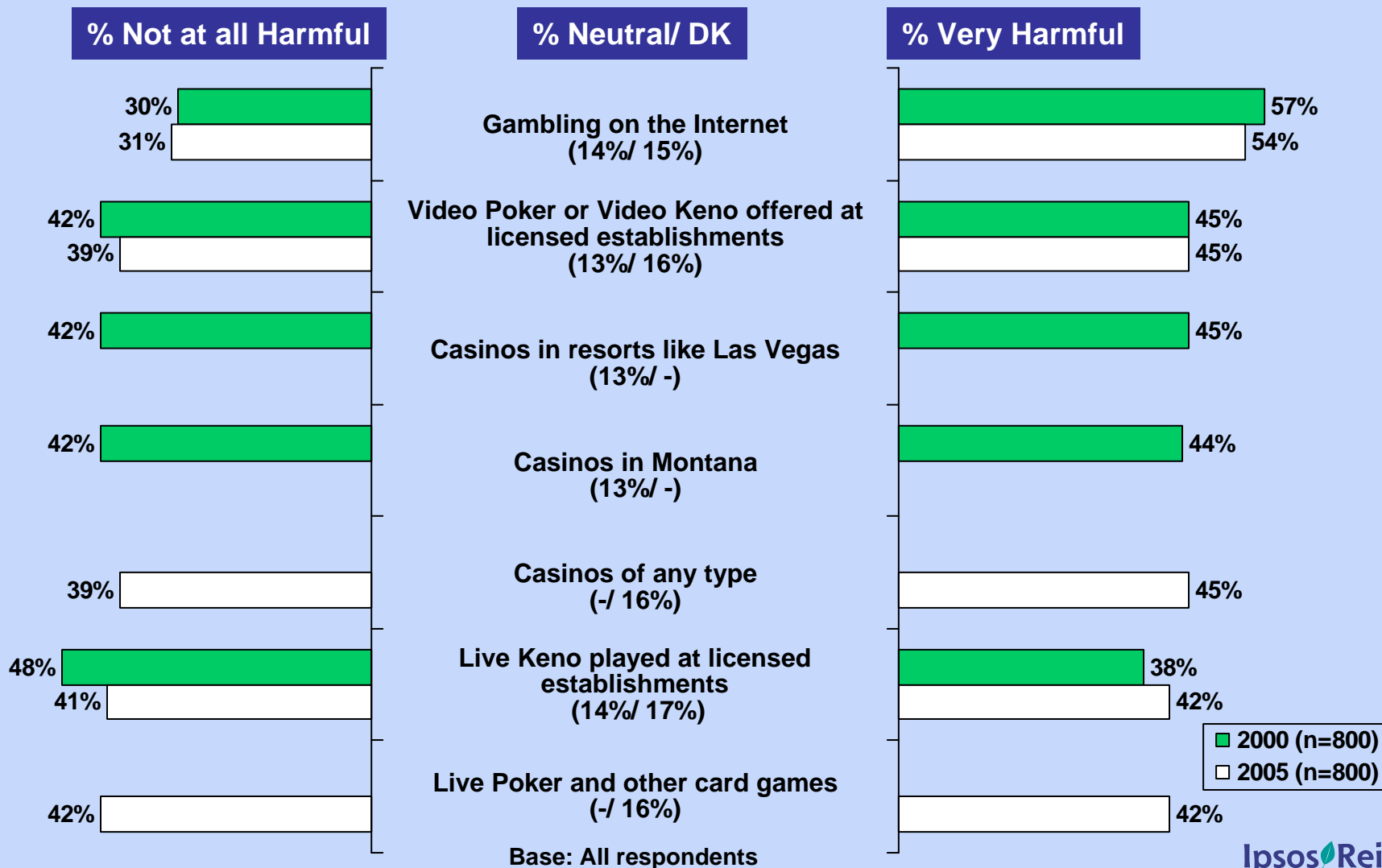
Policy Views

f1. "Now I'm going to read some statements that could be made about lotteries and gaming in Montana. For each statement, please tell me if you agree or disagree using a scale from 1 to 7 where 1 is "Strongly Disagree" and 7 is "Strongly Agree". You can choose any number from 1 to 7."



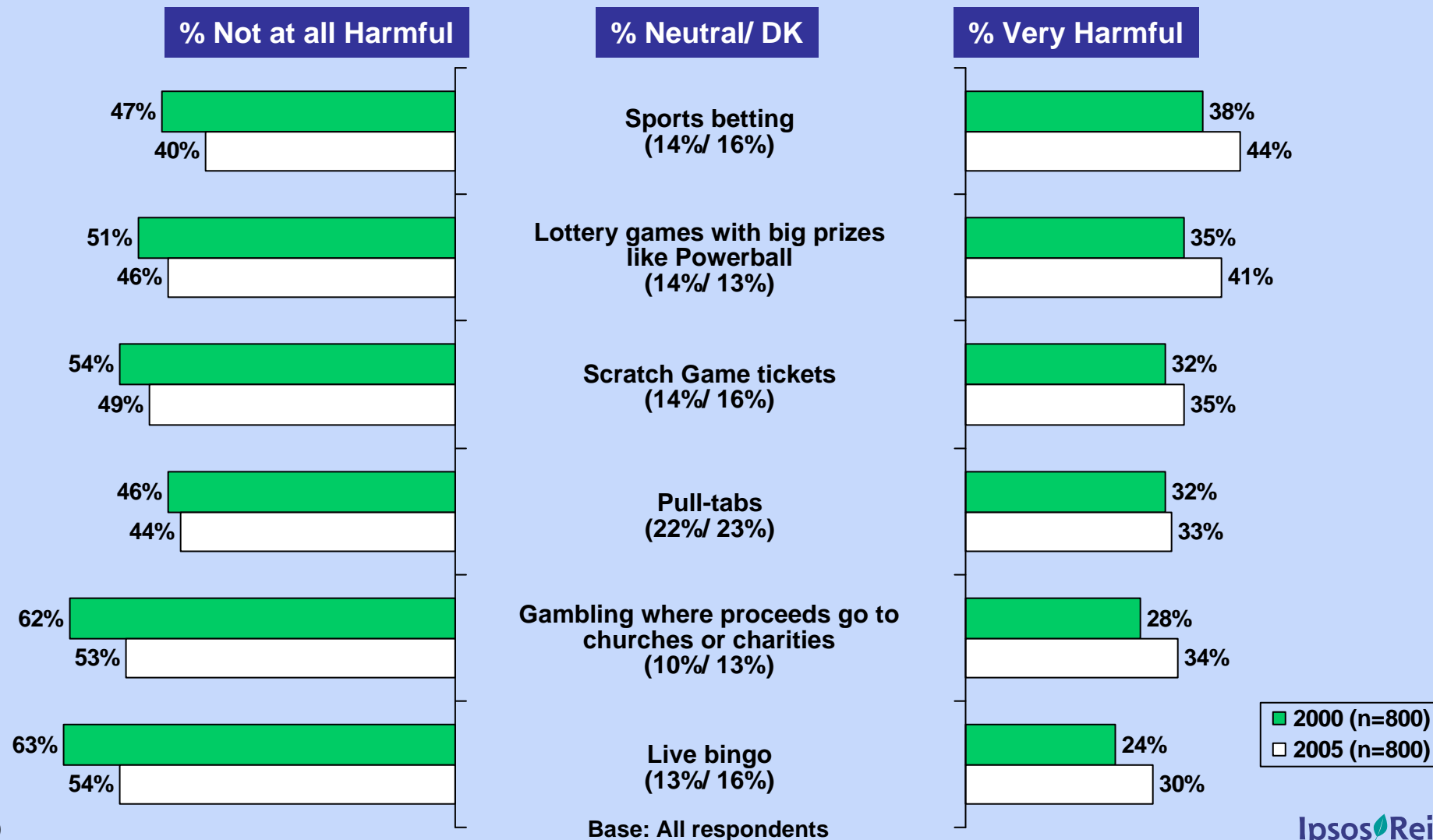
Perceived Harmfulness of Gaming

f2. "Now I am going to read you a list of different games and gambling activities and I'd like you to tell me whether you personally think each one is harmful to society or not. On a scale from 1 to 7, where 1 is "Not at all Harmful to Society" and 7 is "Very Harmful to Society", how would you rate... You can choose any number from 1 to 7."



Perceived Harmfulness of Gaming

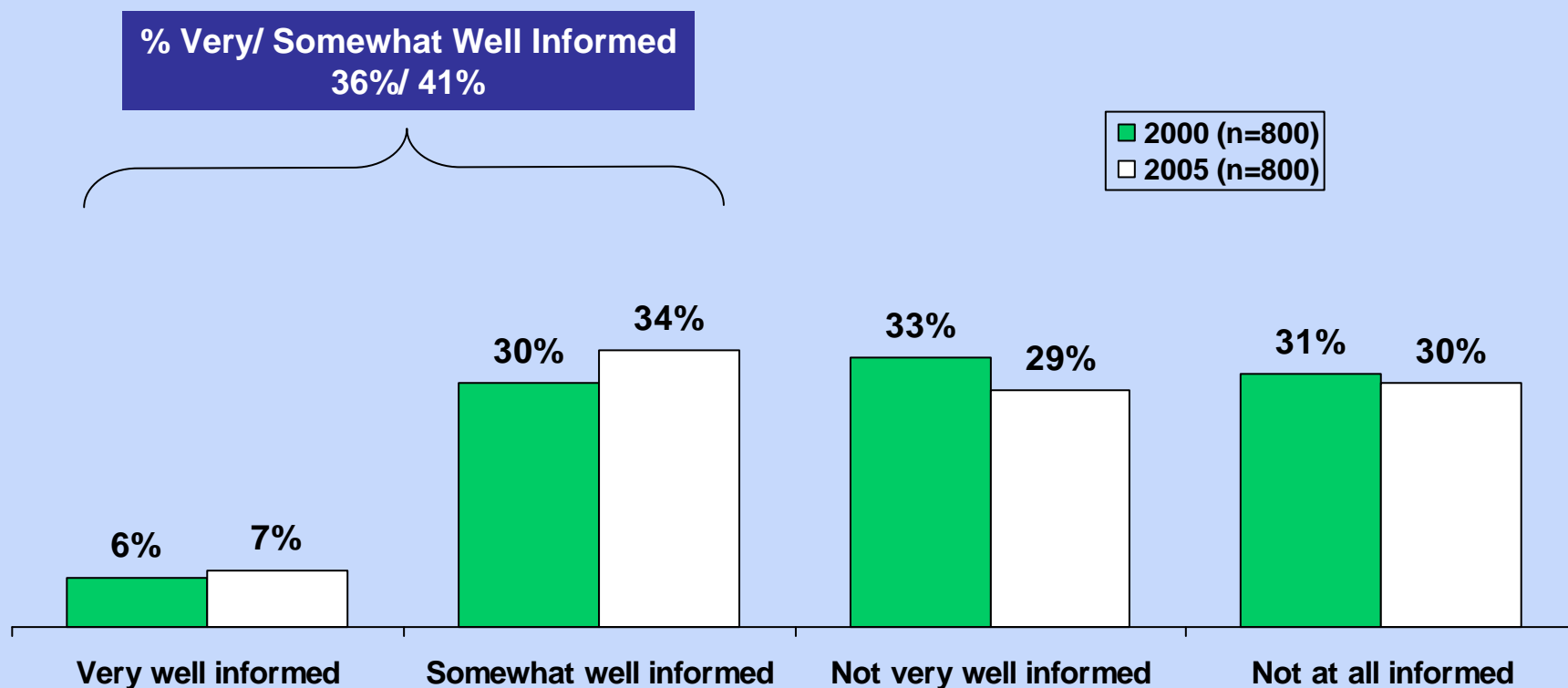
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Informed About Montana Lottery

b1. "How well informed do you feel you are about who the Montana Lottery is and what they do? Would you say you are ...?"

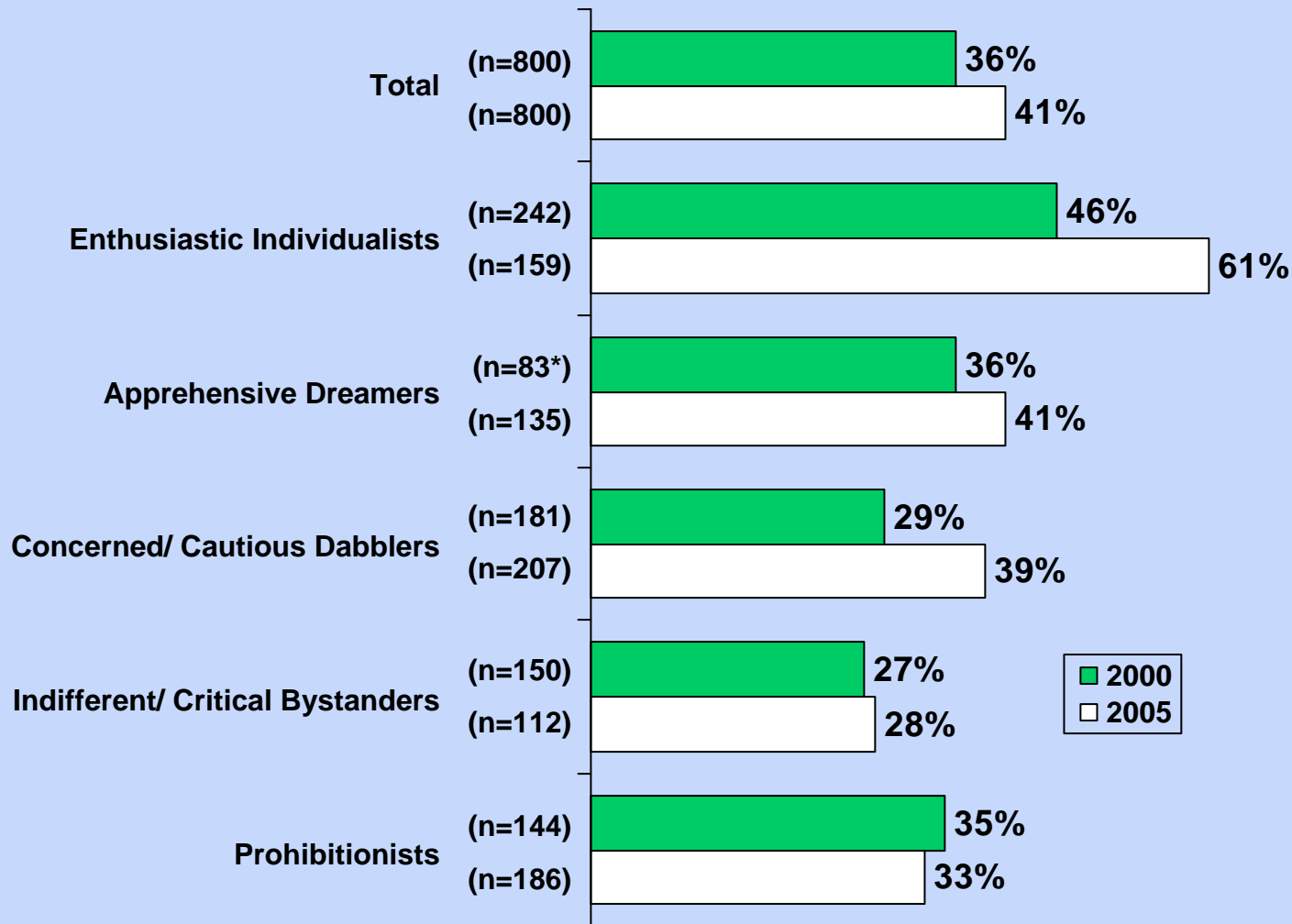


Base: All respondents



Informed About Montana Lottery by Segment

b1. "How well informed do you feel you are about who the Montana Lottery is and what they do? Would you say you are ...?"

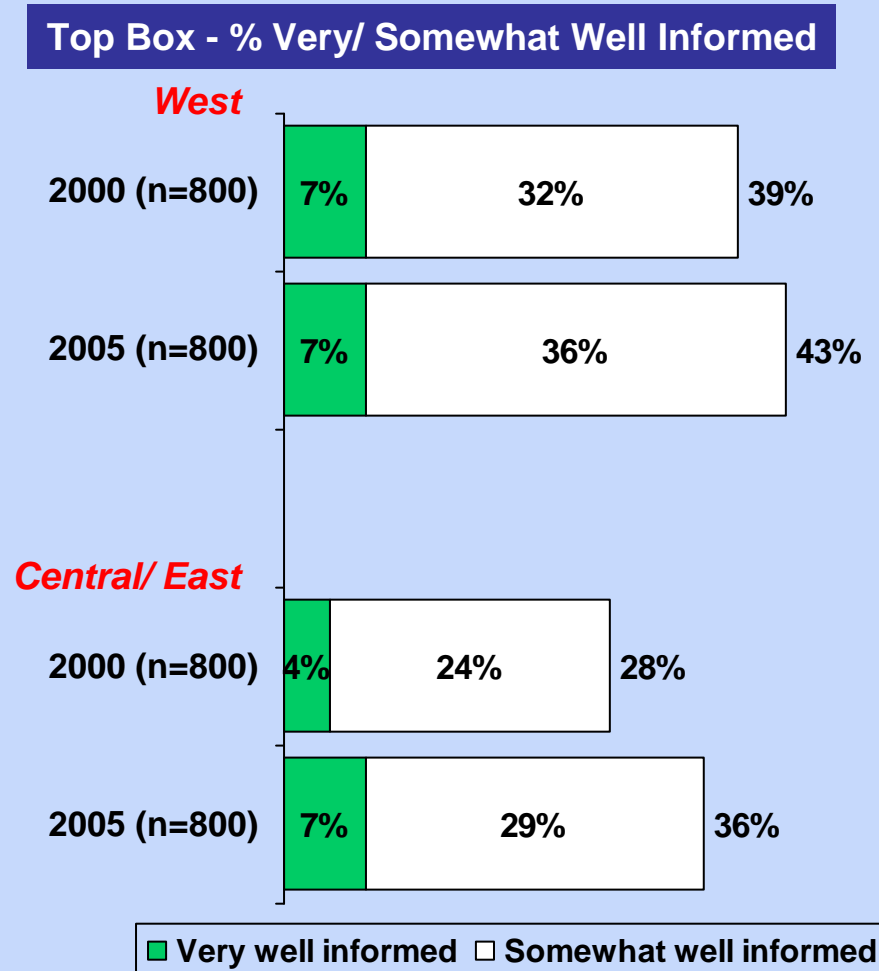


Base: All respondents *Caution: Small base size



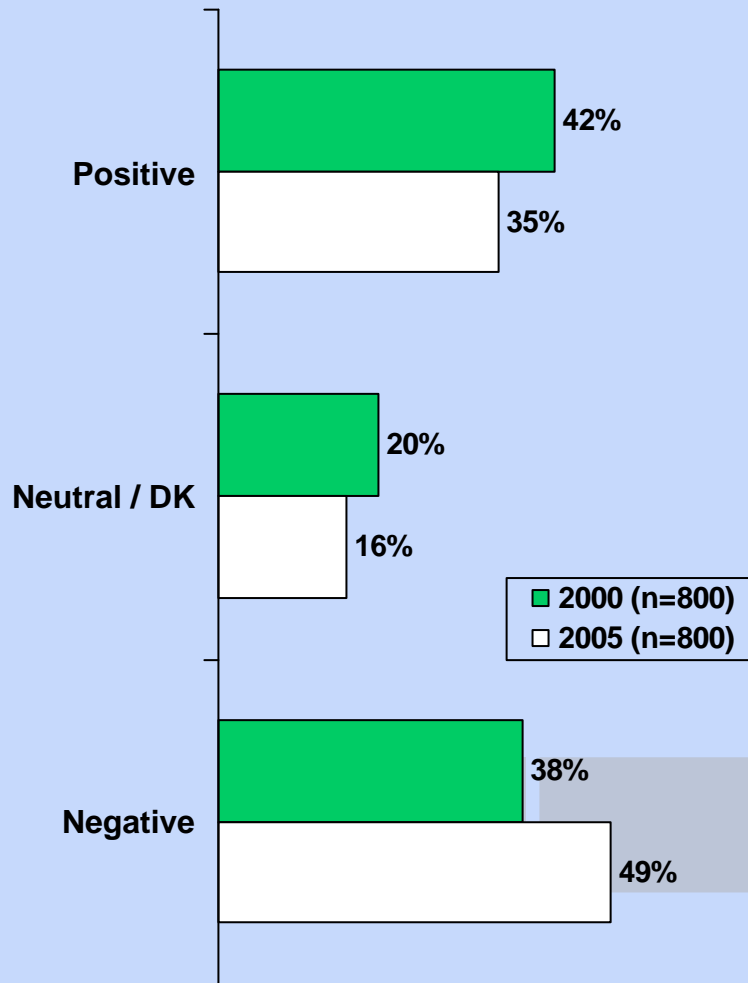
Informed About Montana Lottery by Region

b1. "How well informed do you feel you are about who the Montana Lottery is and what they do? Would you say you are ...?"

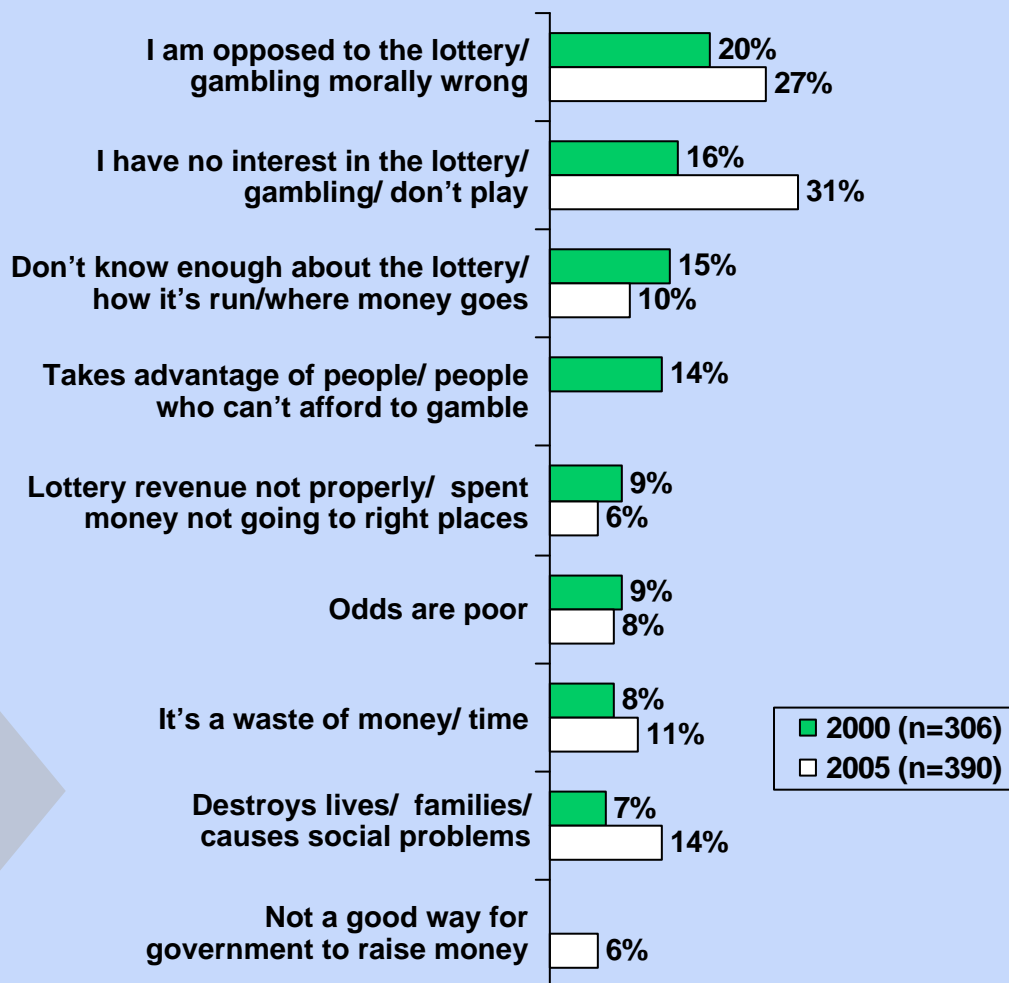


Base: All respondents

Opinion of Montana Lottery



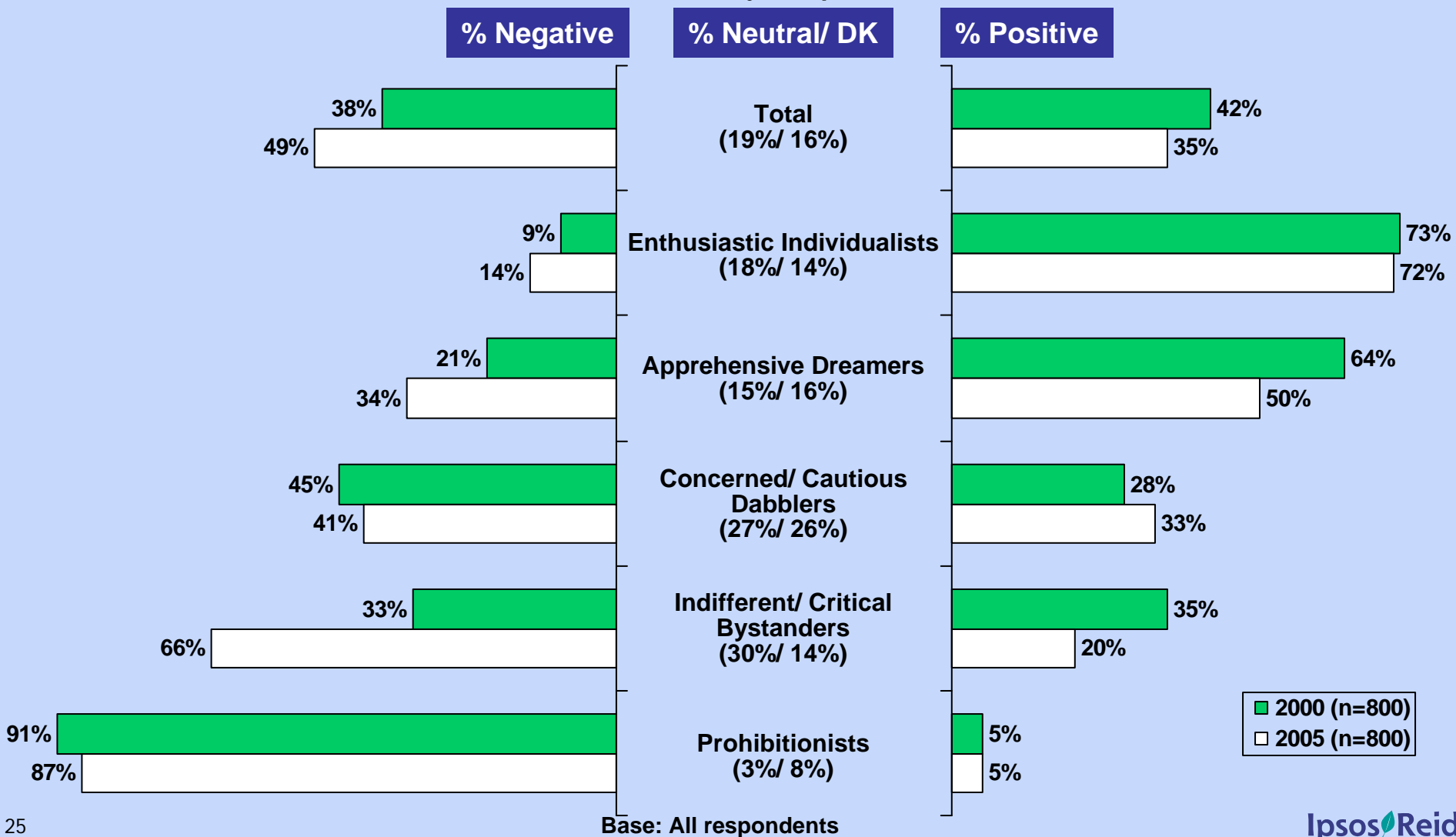
Reasons for Negative Opinion





Opinion of Montana Lottery by Segment

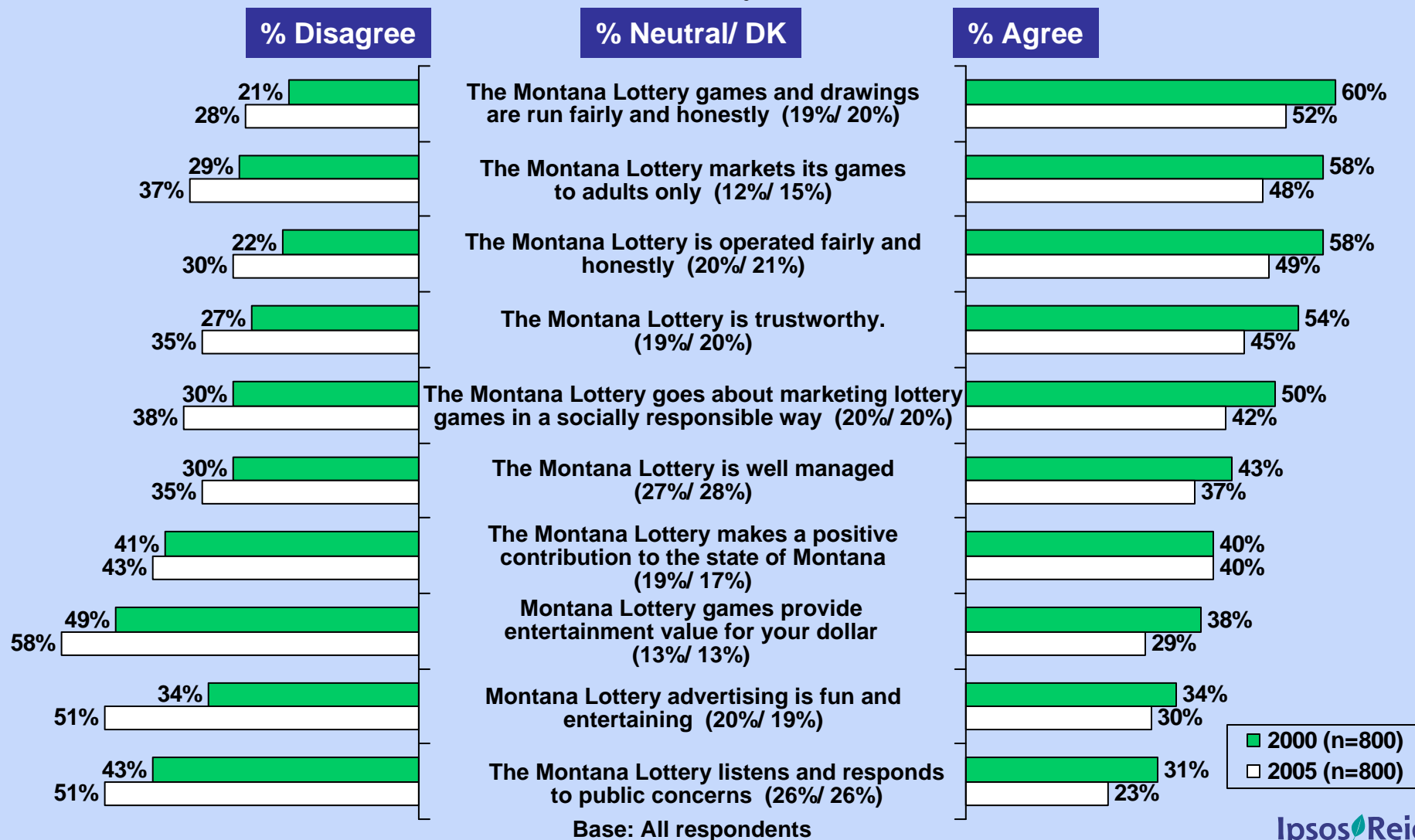
b2. "How would you describe your overall opinion of the Montana Lottery on a scale from 1 to 7, where '1' means your opinion is 'Very Negative' and '7' means your opinion is 'Very Positive'? You may choose any number in between 1 and 7 to describe your opinion."





Montana Lottery's Corporate Image

b4. "Here are some statements that could be made about the Montana Lottery. Please tell me how you feel about each statement on a scale of "1" to "7", where "1" means you Strongly Disagree and "7" means you Strongly Agree with the statement. You can choose any number from 1 to 7."

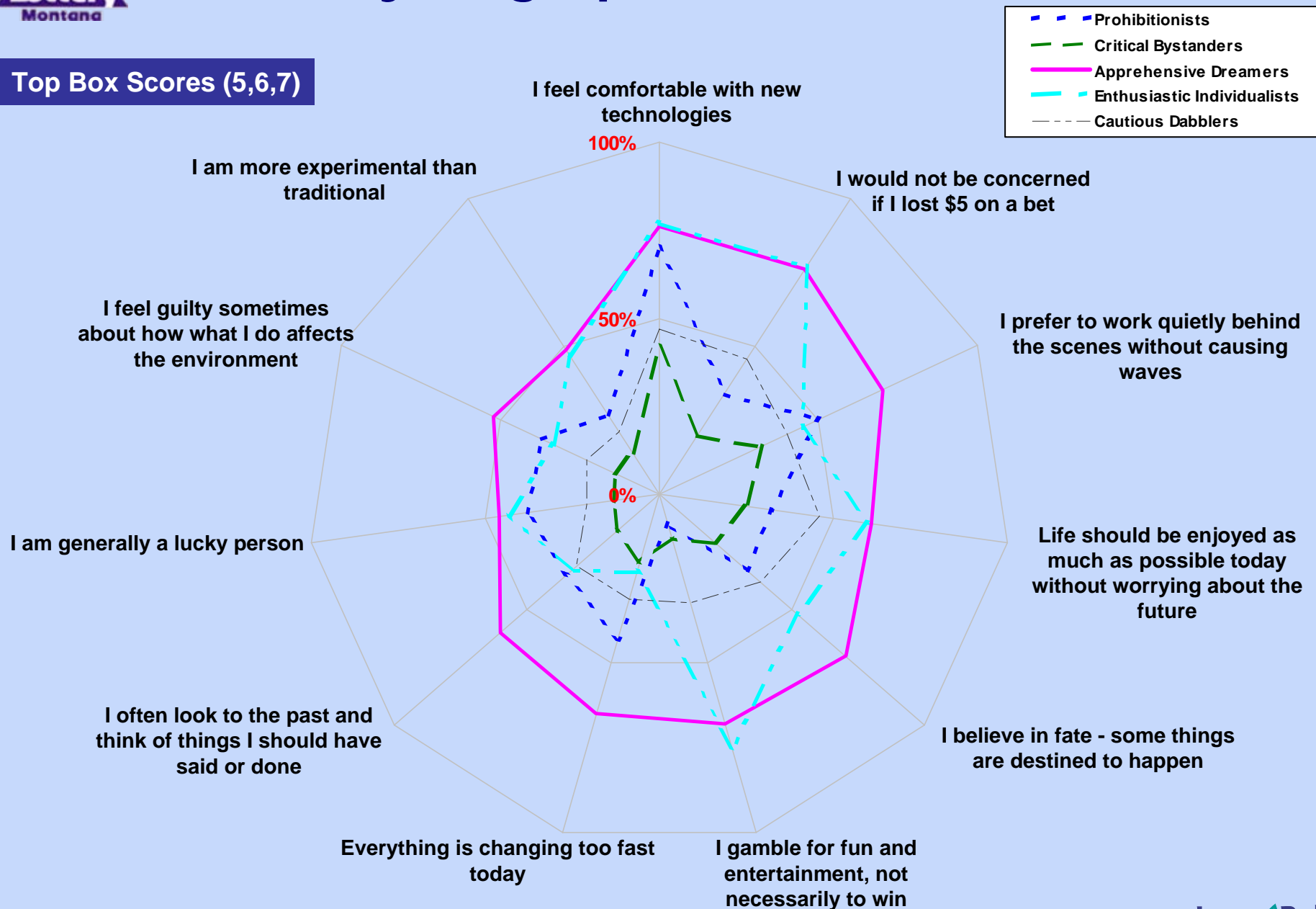


Segment Profiles & Shifts



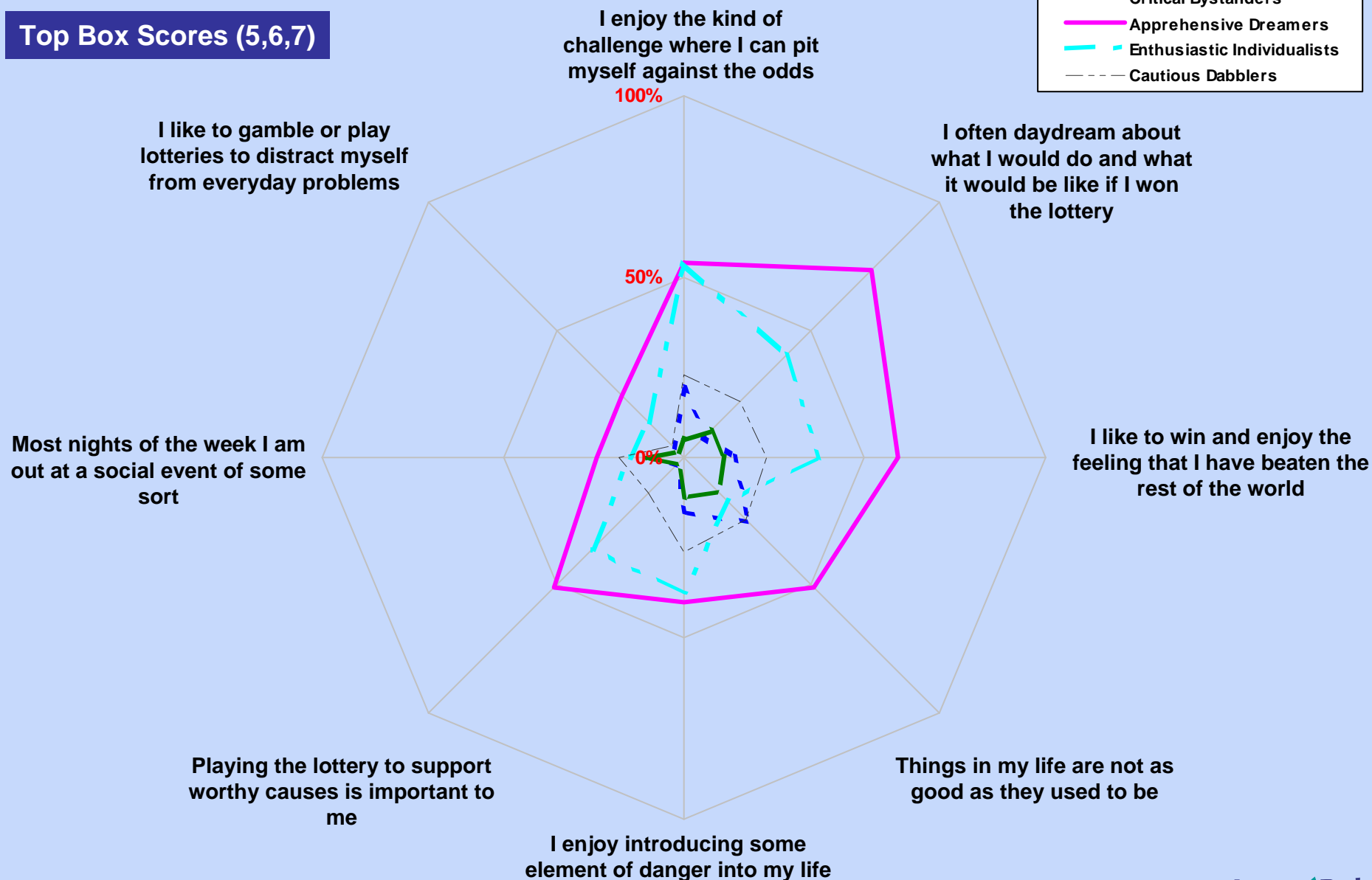
2005 Psychographic Profile

Top Box Scores (5,6,7)



2005 Psychographic Profile

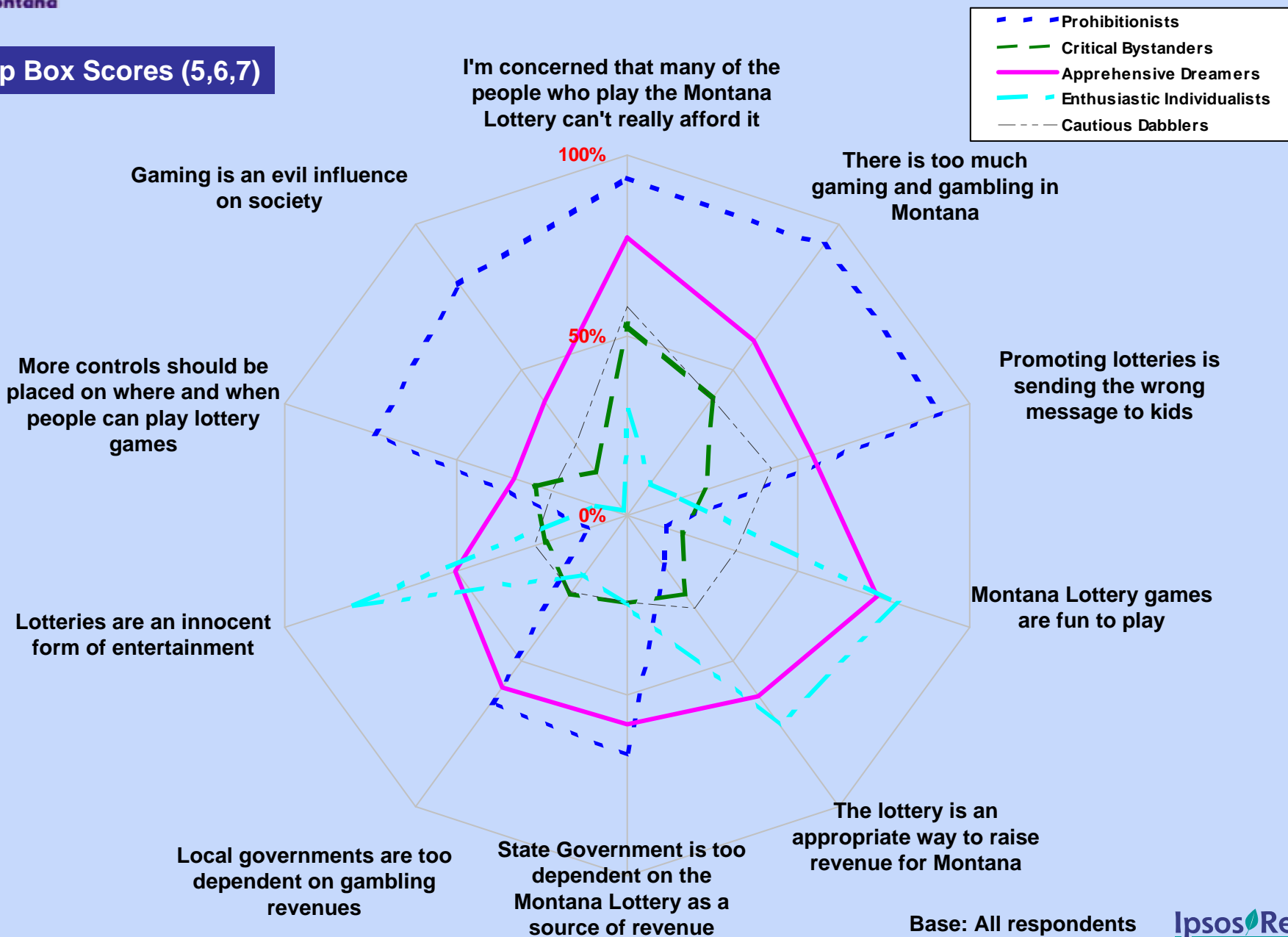
Top Box Scores (5,6,7)





2005 Policy & Attitudes Toward Gaming

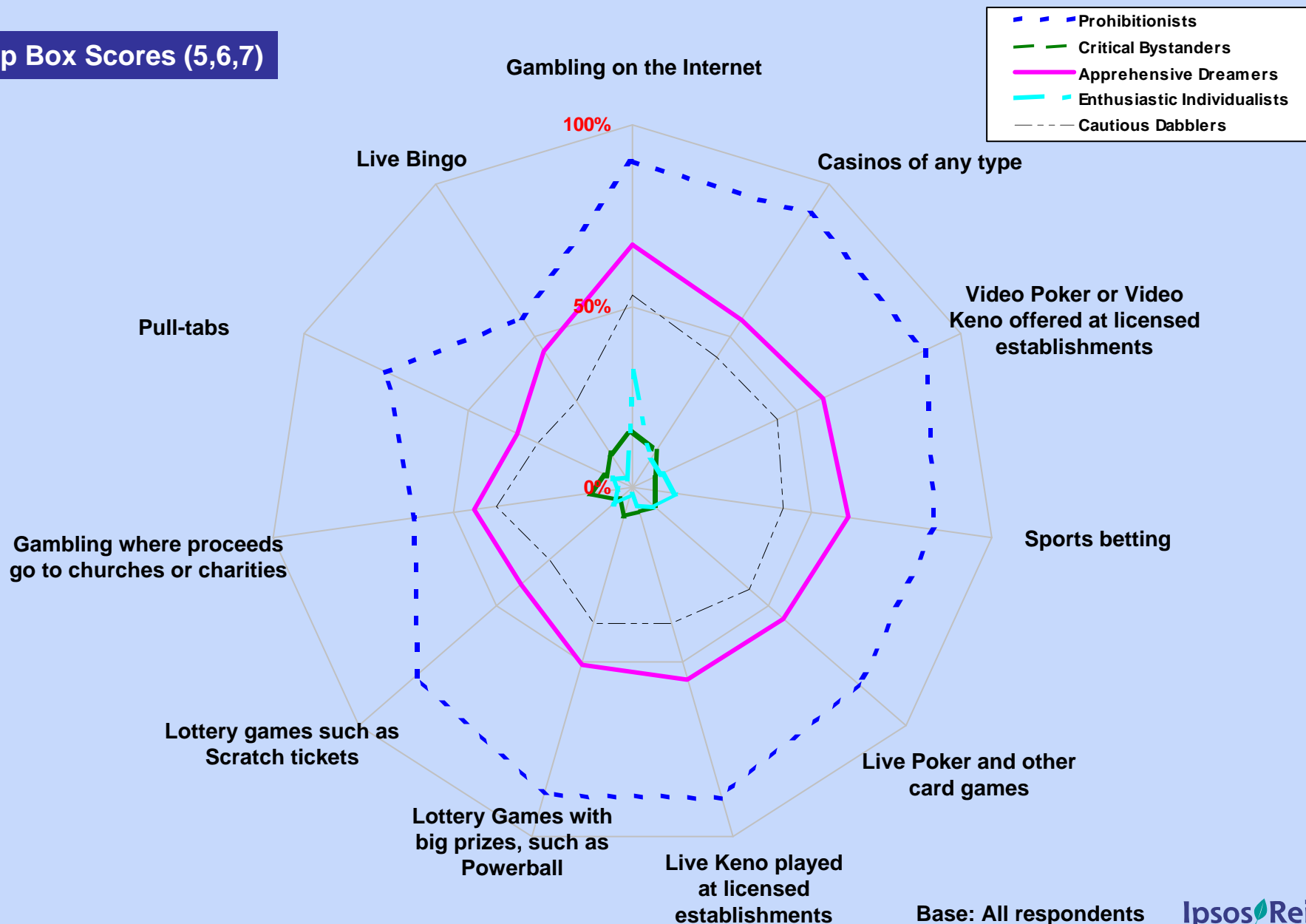
Top Box Scores (5,6,7)



Base: All respondents

2005 Harmfulness of Gaming Activities

Top Box Scores (5,6,7)





2005 Image of the Lottery

Top Box Scores (5,6,7)

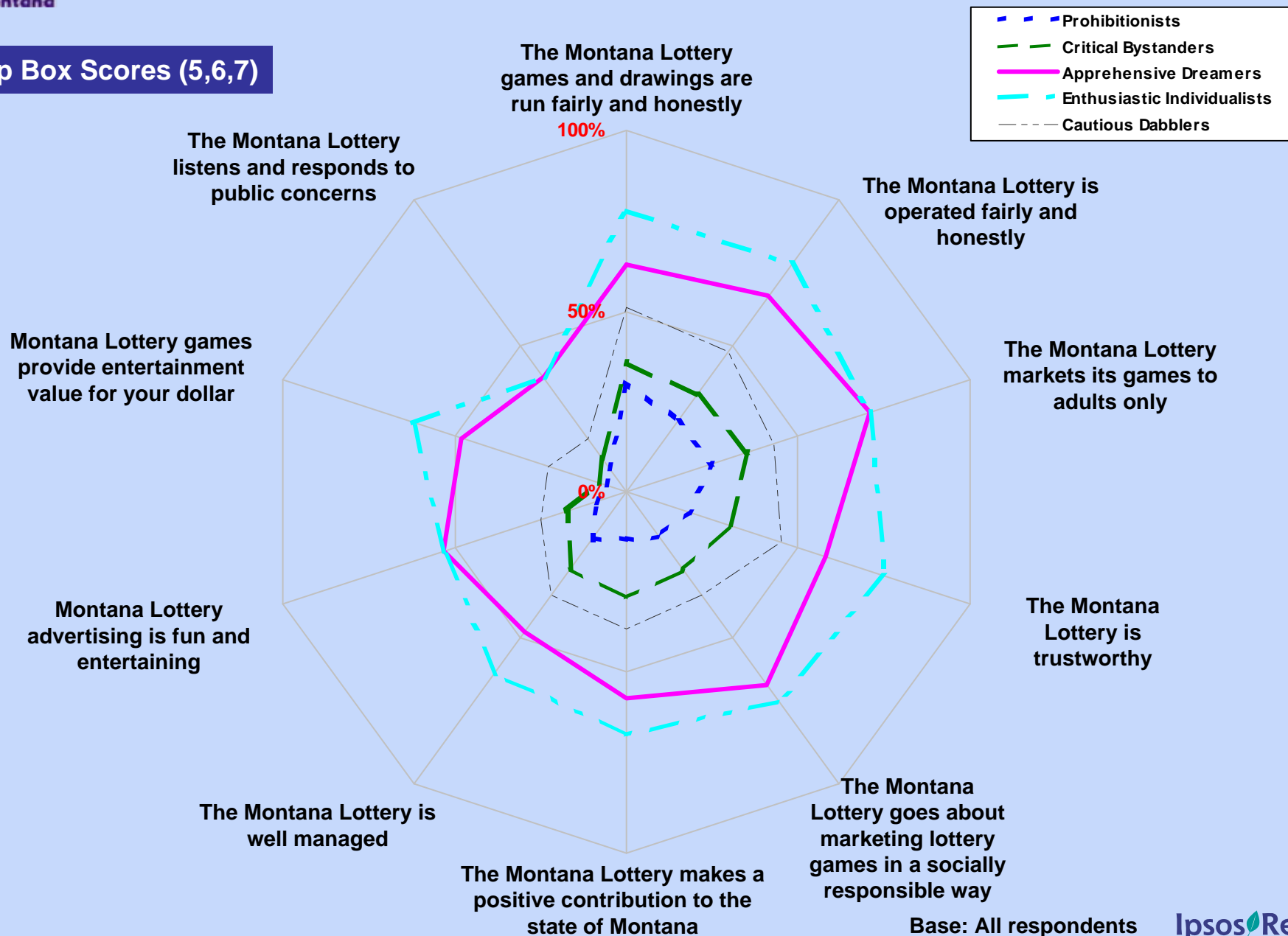
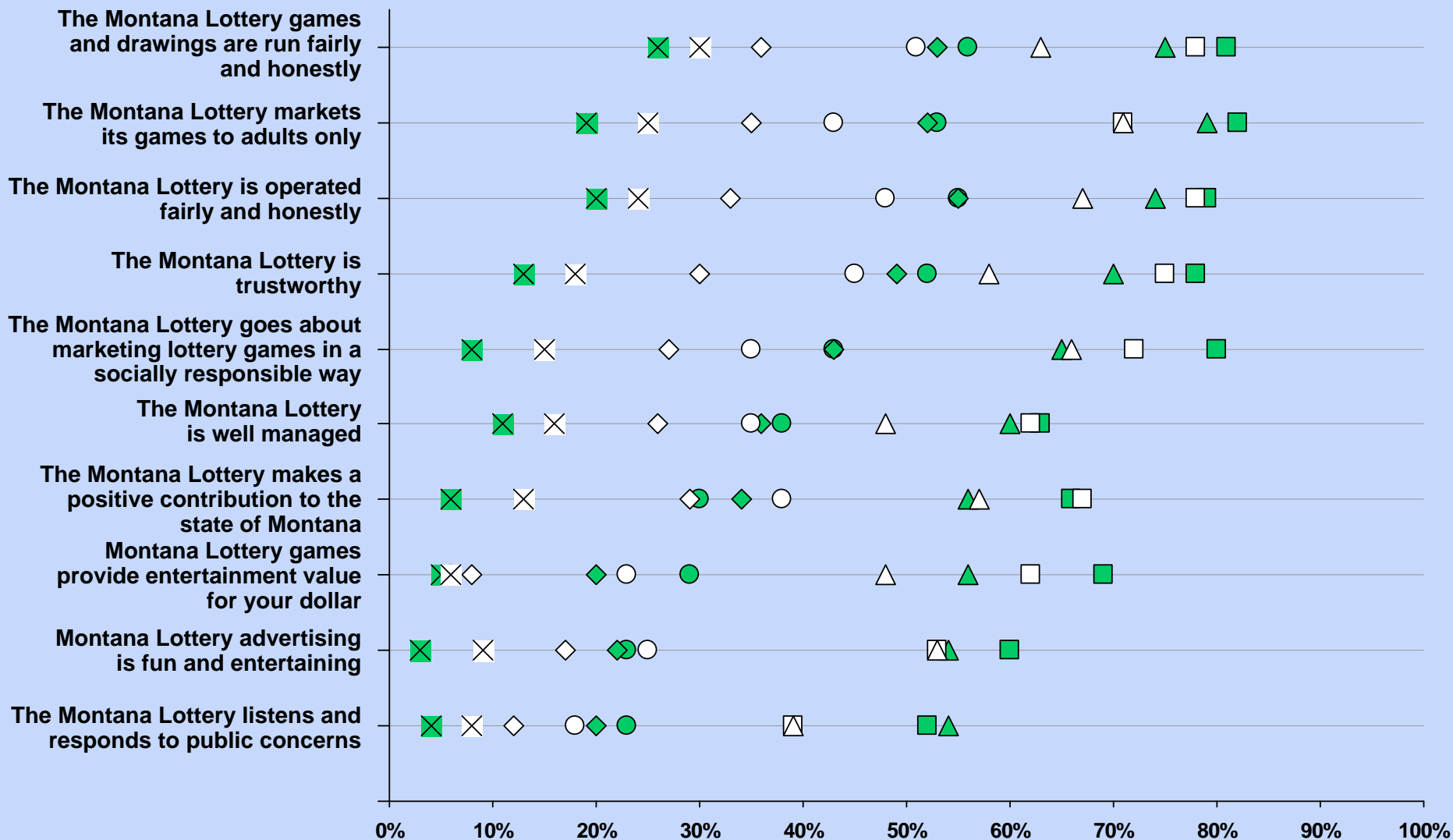
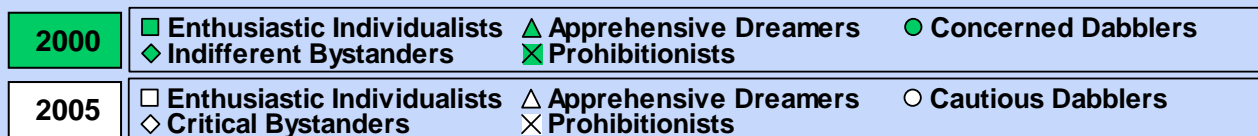




Image of the Lottery



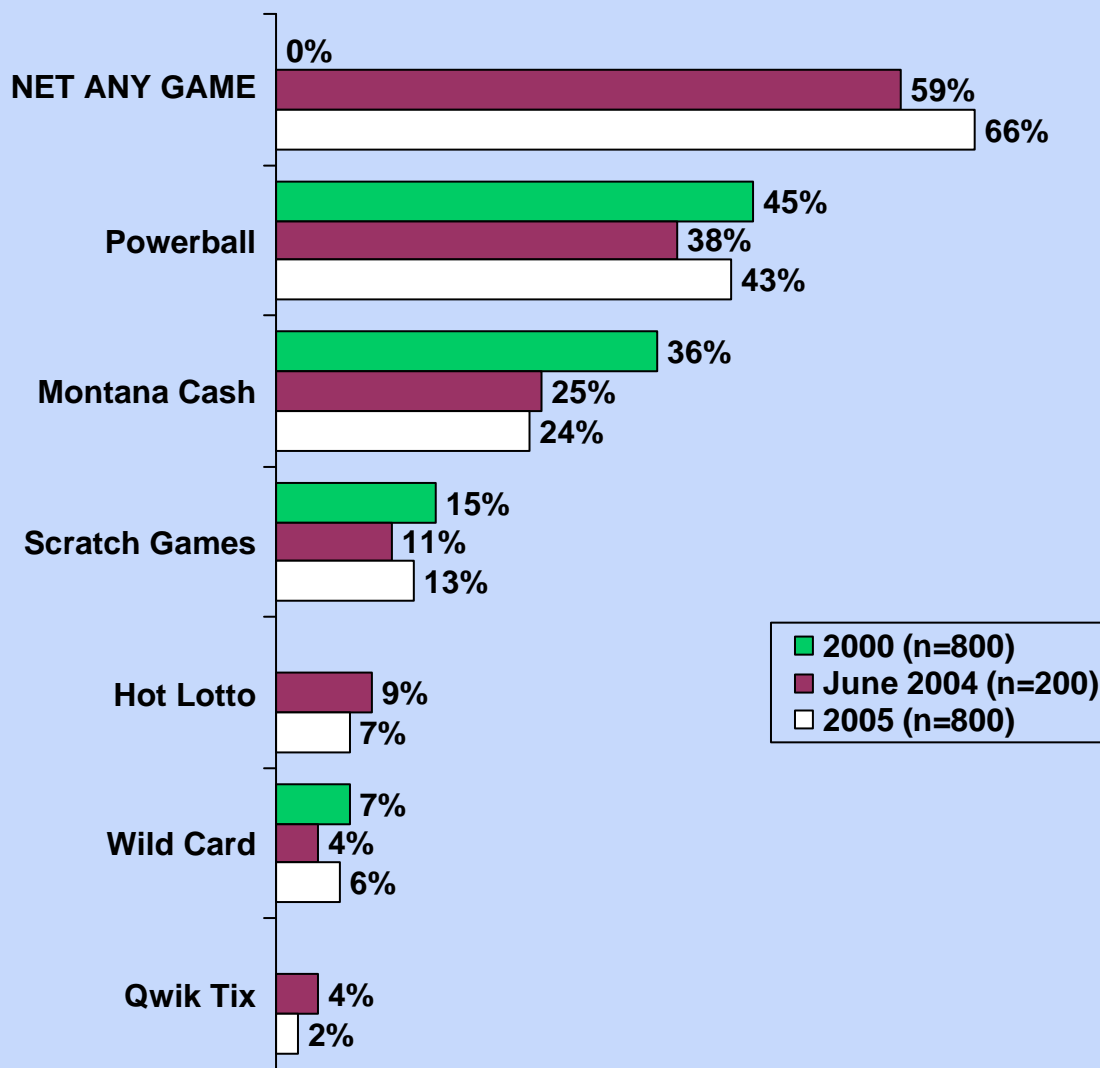
Awareness & Knowledge of Montana Lottery Games





"Top-of-Mind" Awareness of Lottery Games

a1. "Which Montana lottery games, if any, are you aware of?"



Base: All respondents



Top-of-Mind Awareness of Lottery Games by Segment

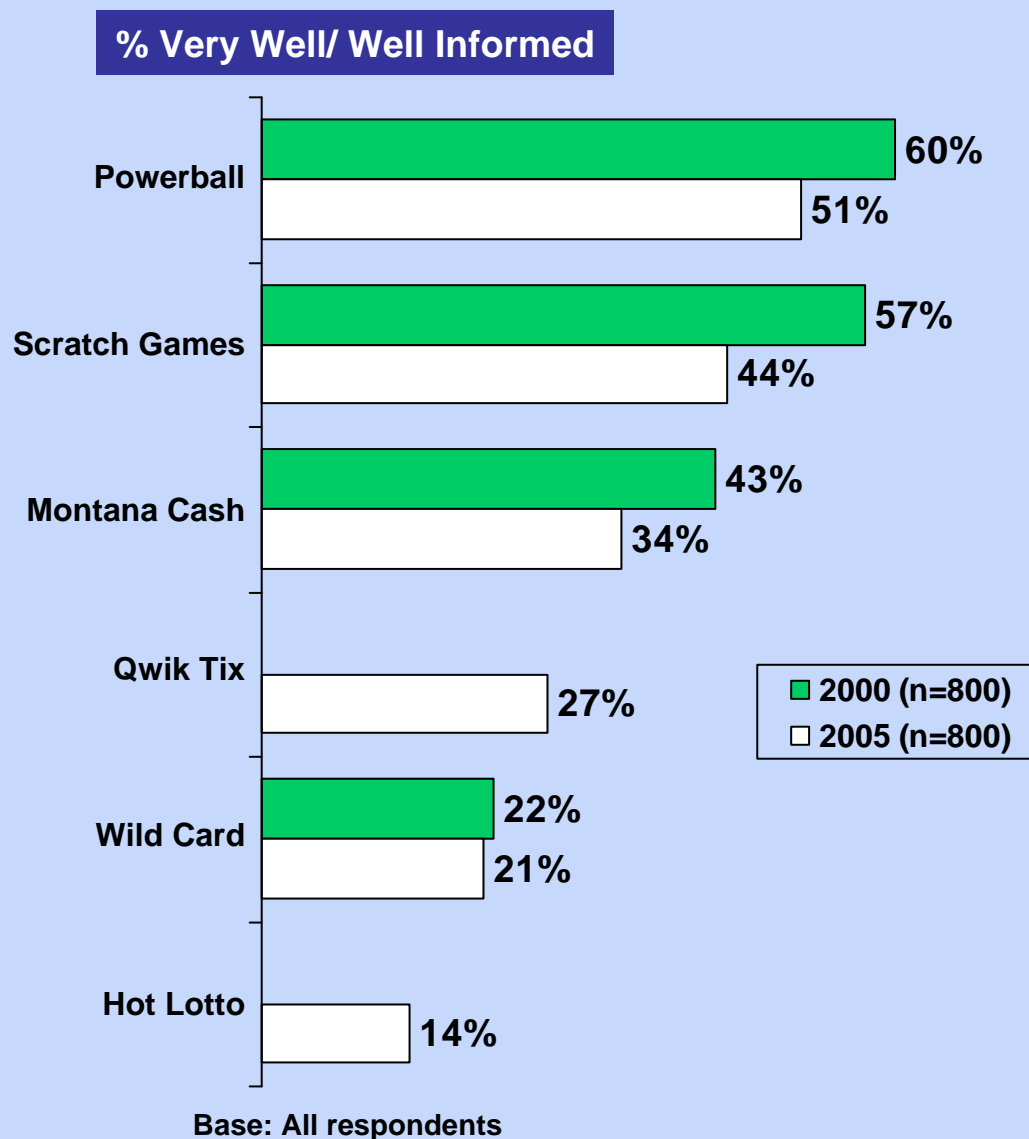
a1. "Which Montana lottery games, if any, are you aware of?"

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
Awareness of Any Game (Net)	64%	85%	71%	62%	67%	41%
-Powerball (Wednesday and Saturday draws)	43%	63%	51%	42%	37%	25%
-Montana Cash (Wednesday and Saturday draws)	24%	40%	30%	23%	14%	14%
-Scratch Games	13%	27%	15%	13%	7%	6%
-Montana Lottery in general	10%	8%	9%	9%	18%	8%
-Hot Lotto (Wednesday and Saturday draws)	7%	15%	11%	5%	4%	3%
-Wild Card (Wednesday and Saturday draws)	6%	10%	9%	4%	5%	3%
-Qwik Tix (the instant win game printed by the Lotto terminal)	2%	4%	1%	1%	-	2%



Informed About How to Play Lottery Games

a2. "How well informed do you feel you are about how to play ... ?"





Informed About How to Play Lottery Games

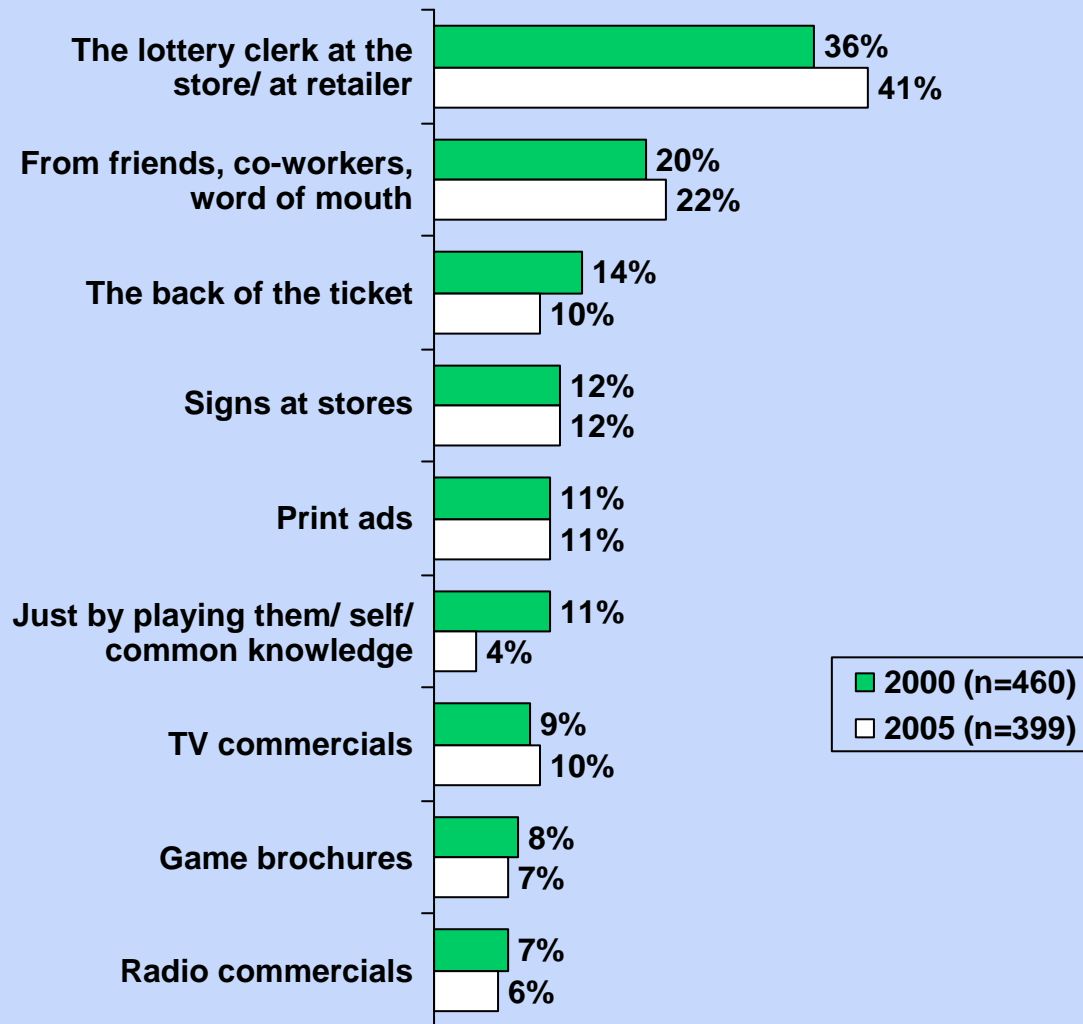
a2. "How well informed do you feel you are about how to play ...?"

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
Powerball	51%	76%	71%	45%	38%	28%
Scratch Games	44%	70%	58%	41%	33%	21%
Montana Cash	34%	60%	53%	27%	21%	14%
Qwik Tix	27%	46%	38%	19%	23%	13%
Wild Card	21%	33%	32%	19%	15%	10%
Hot Lotto	14%	26%	21%	10%	6%	7%



Sources of Information For Learning How to Play Specific Lottery Game – Total Mentions

c10a. "How or where do you usually learn about how to play specific lottery games?"



Base: Past year players



Sources of Information for Learning How to Play Specific Lottery Game by Segment

c10a/b. "How or where do you usually learn about how to play specific lottery games? What other sources of information do you usually use?"

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers
Base: Past year players	n=399 %	n=126 %	n=97* %	n=108 %
The lottery clerk at the store	25%	28%	24%	20%
From friends, co-workers, word of mouth	22%	20%	29%	24%
At the lottery retailer [grocery store, gas station etc.]	16%	14%	17%	17%
Signs at stores	12%	14%	13%	9%
Print ads	11%	9%	13%	16%
Read the ticket/ on the back of the ticket	10%	15%	8%	8%
TV commercials	10%	12%	10%	9%
Montana Lottery web site / Internet	8%	8%	8%	11%
Game brochures	7%	9%	10%	4%
Radio commercials	6%	11%	7%	3%
I am able to figure it out on my own	4%	4%	5%	2%

*Caution: Small base size

Overall Lottery Participation Review

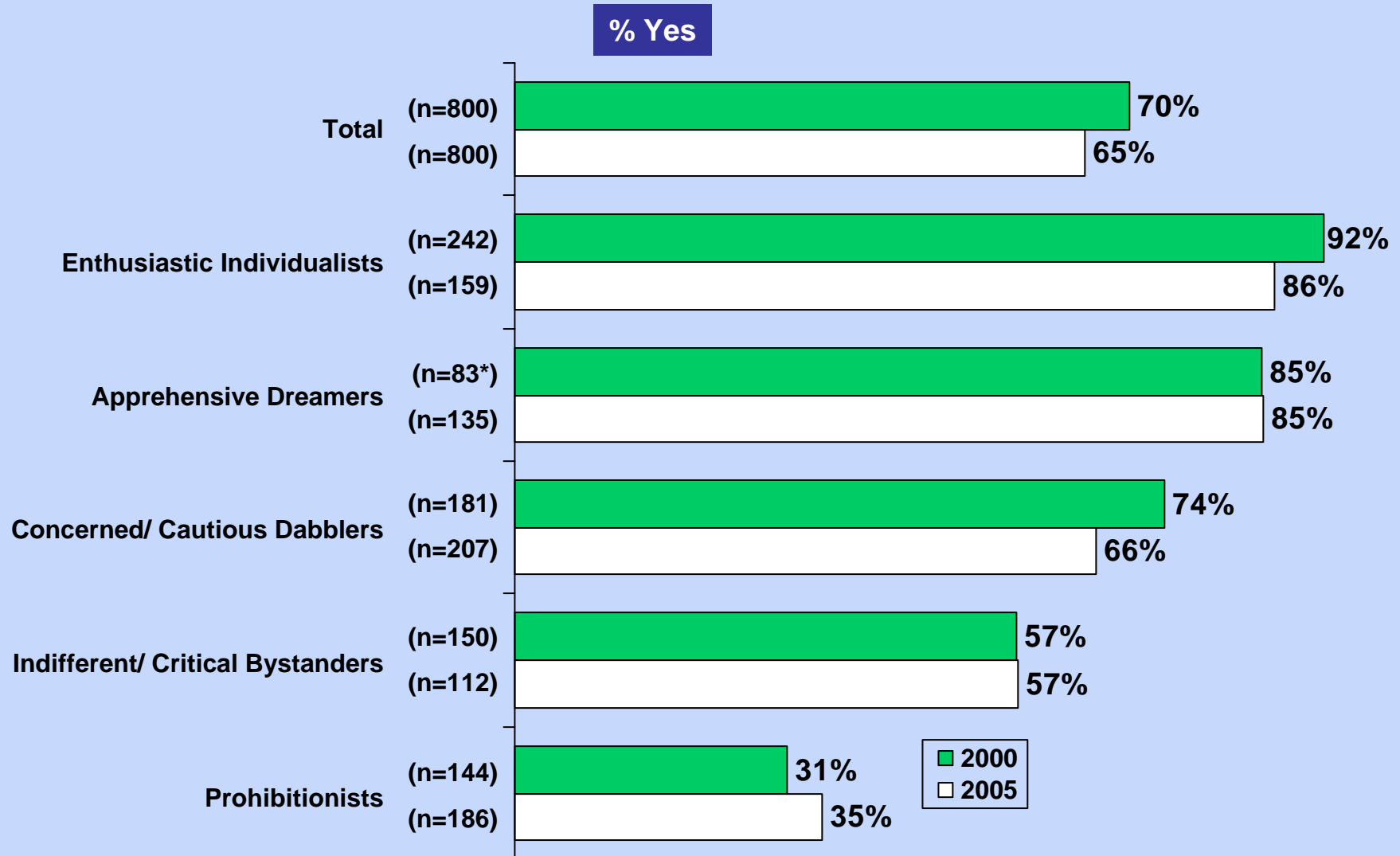


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Overall Lottery Participation by Segment

c1. "Have you ever played a lottery game in Montana?"

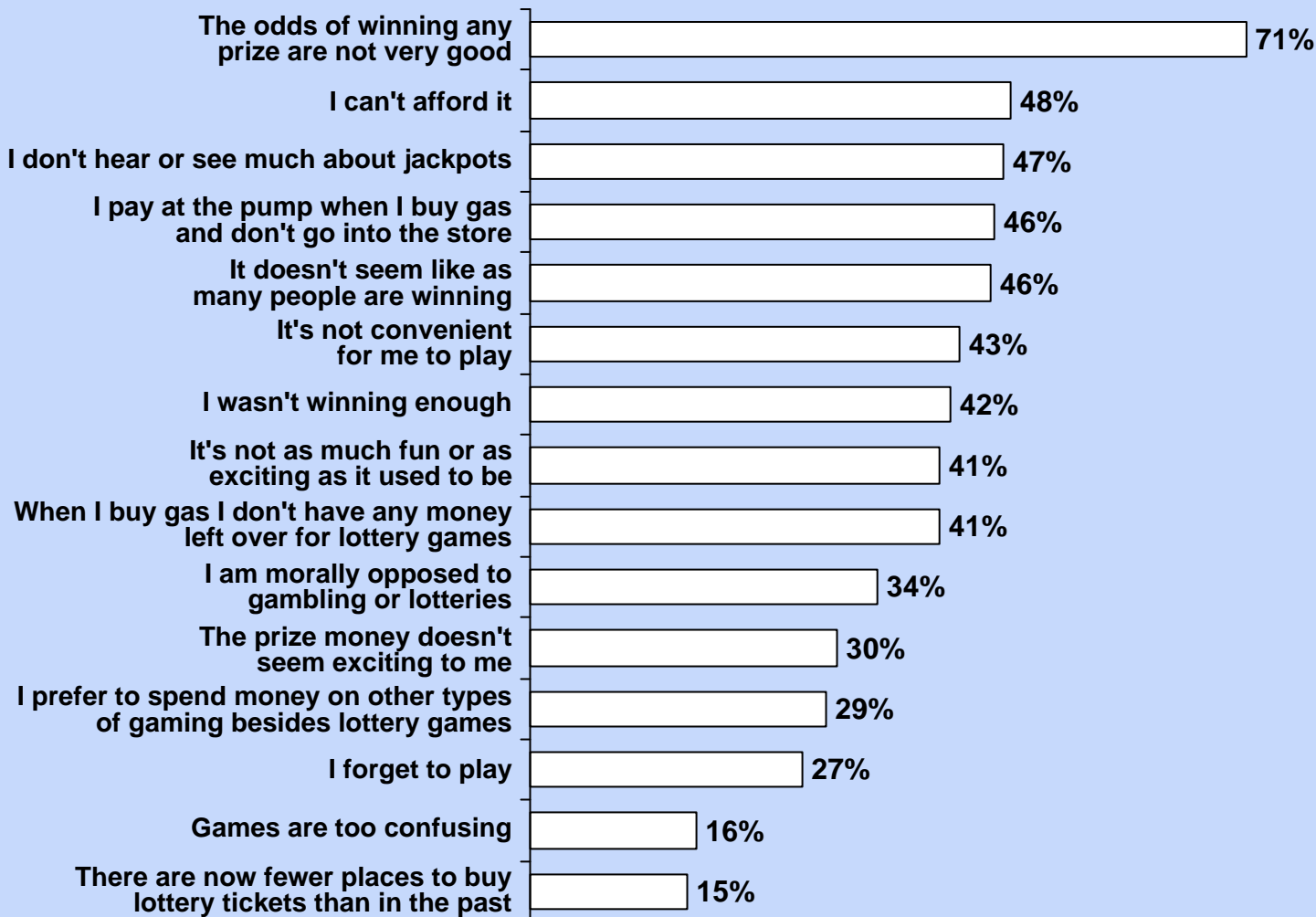


*Caution: Small base size



Reasons For Not Playing Montana Lottery Games in the Past Year – Among Those Who Have Played in the Past

c12. “Earlier you indicated that you have played Montana Lottery games before, but just not in the past year. I am going to read a list of reasons other people have given about why they haven't played any Montana Lottery games in the past year. For each one, please tell me how you personally feel using a scale of 1 to 7 where 1 means you 'Strongly Disagree' with the reason and 7 means you 'Strongly Agree' with the reason.”

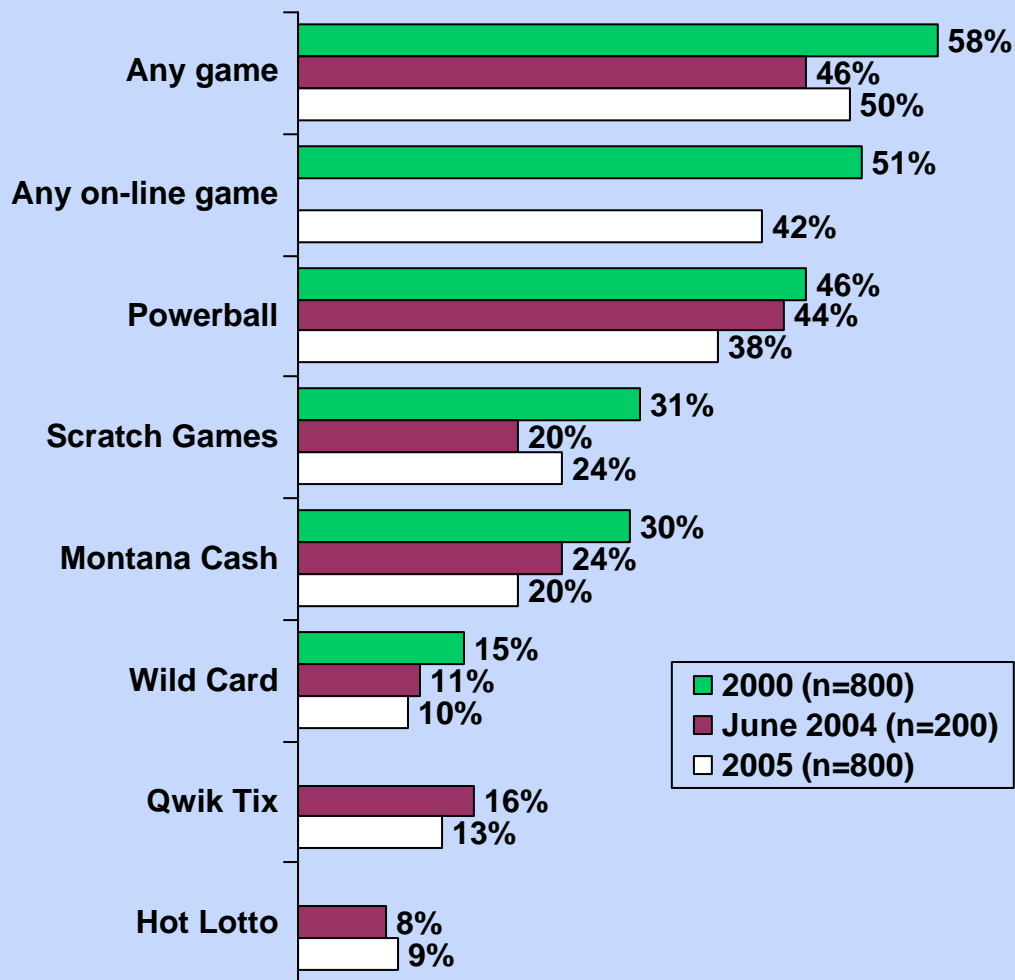


Base: Did not play any games in the past year (n=150)



Past Year Lottery Participation

c2. "In the past year, have you spent money on ... ?"

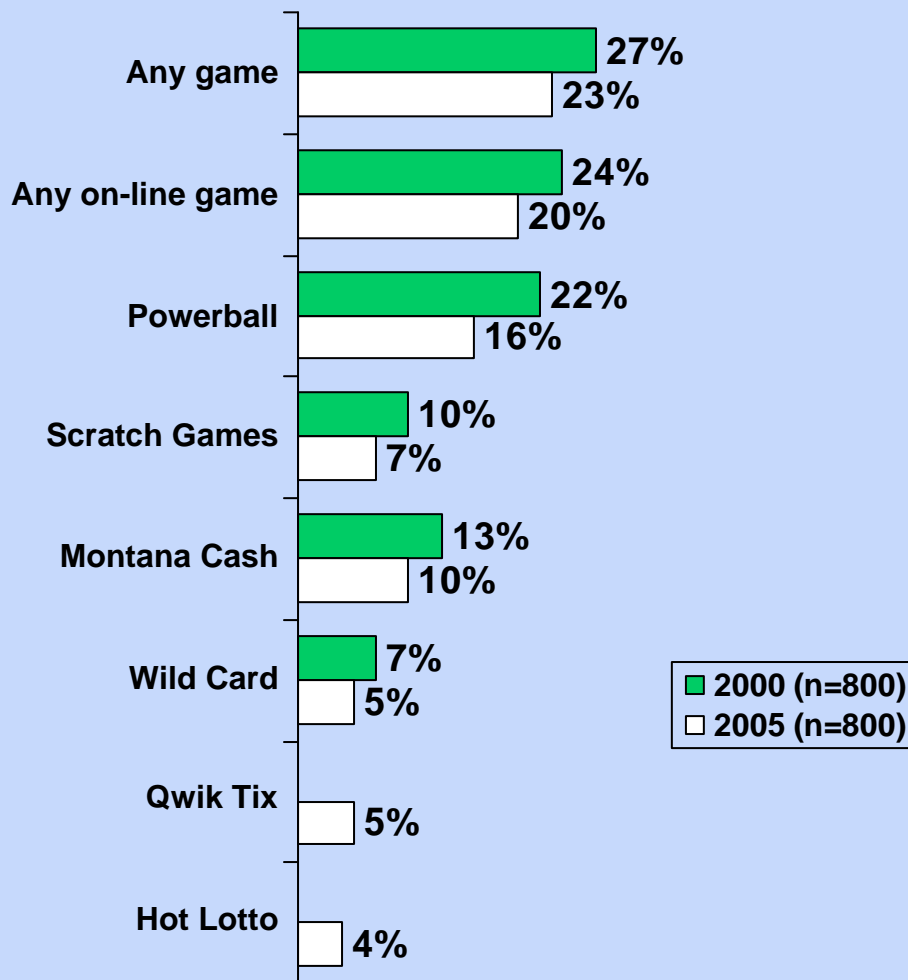


Base: All respondents



Past Month Lottery Participation

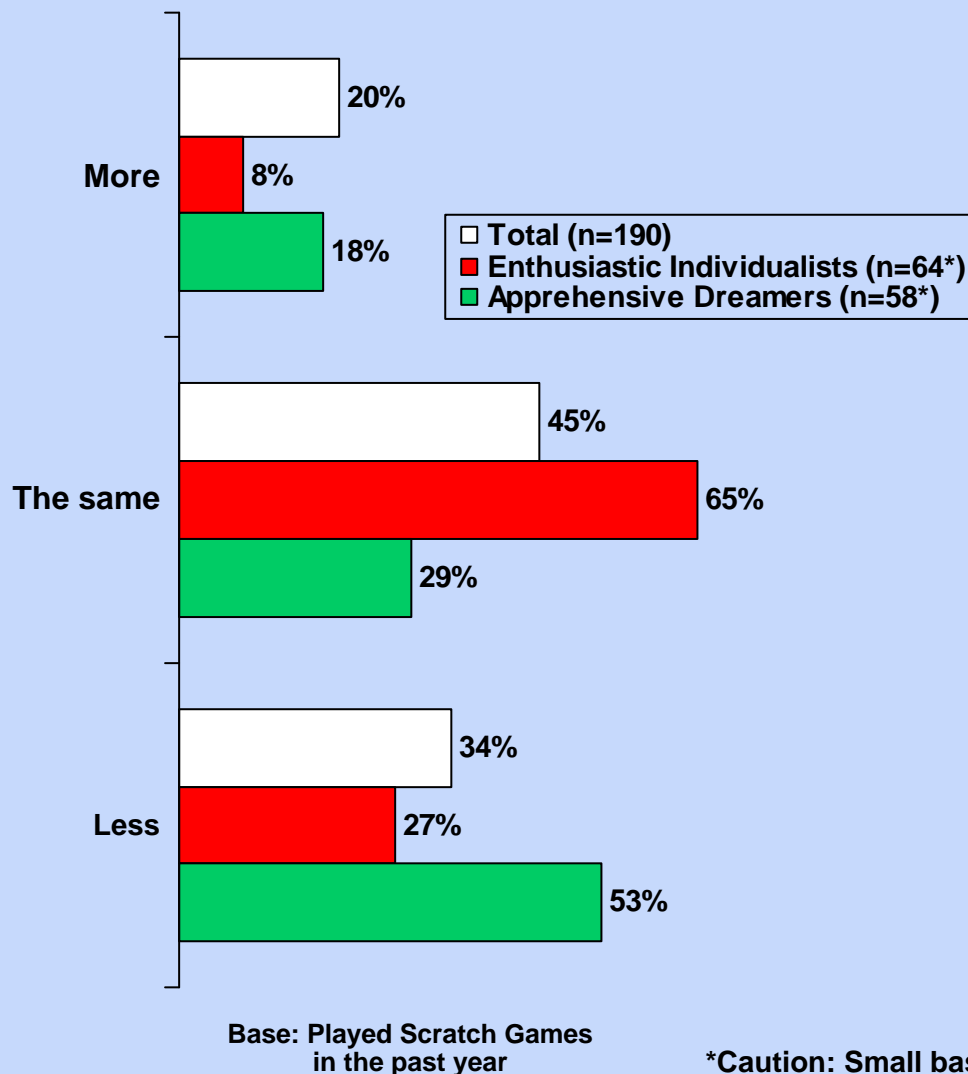
c3. "And in the past 4 weeks, have you spent money on...?"



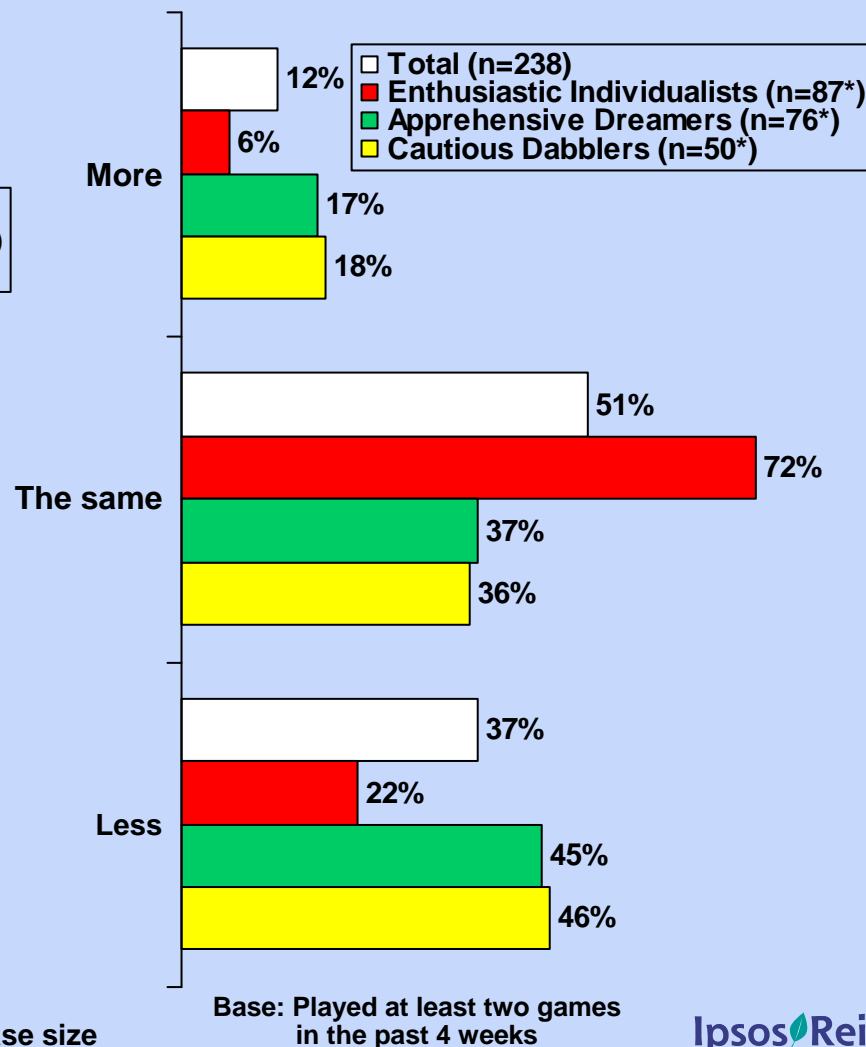
Base: All respondents

Acknowledge Lapsed Spending

c6. "Compared to a year ago, would you say that you are spending more, the same, or less on Scratch Games?"



c7. "When considering all Montana Lottery games together, compared to a year ago, would you say that you are spending more, the same, or less in general?"





Reasons For Spending Less

c8. "I am going to read a list of reasons for spending less on lottery games that some people have stated in the past. For each reason, please tell me how you feel about each reason on a scale of '1' to '7', where '1' means you strongly disagree with the reason and '7' means you strongly agree with the reason. You can choose any number in between."

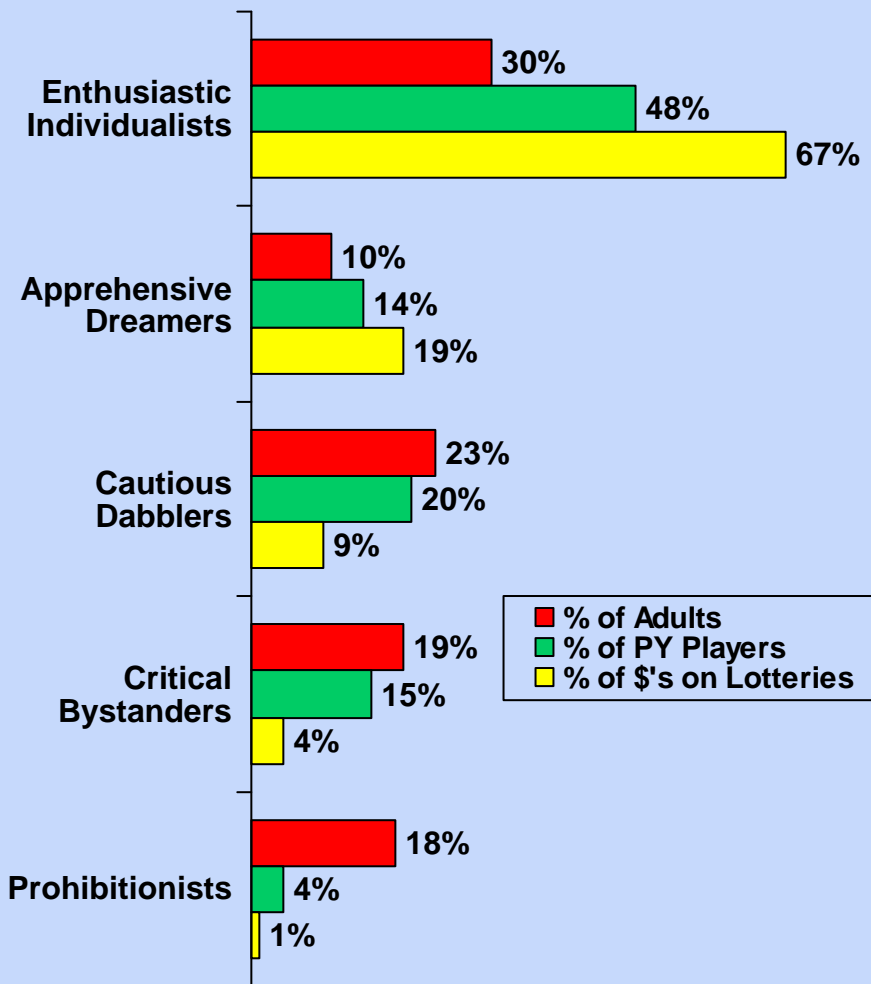


Base: Spending less on all Montana Lottery games (n=89*) *Caution: Small base size

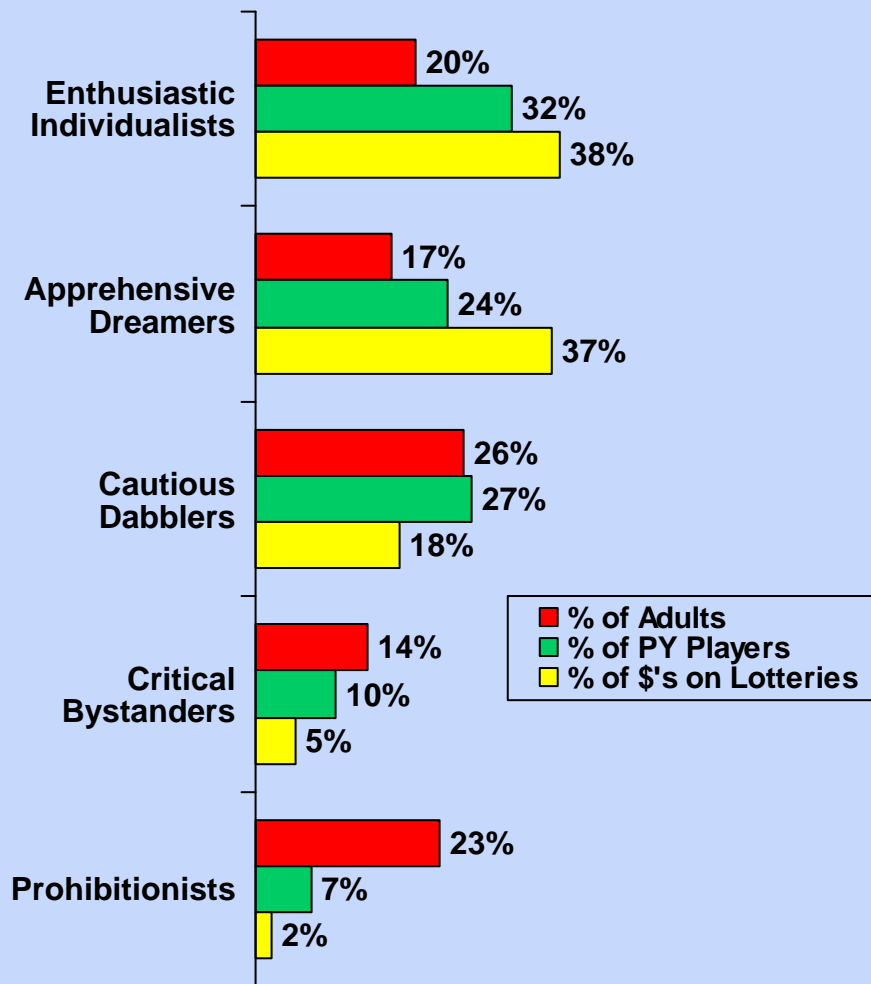


Proportion of Past Year Lottery Participation & Spending by Segment

2000

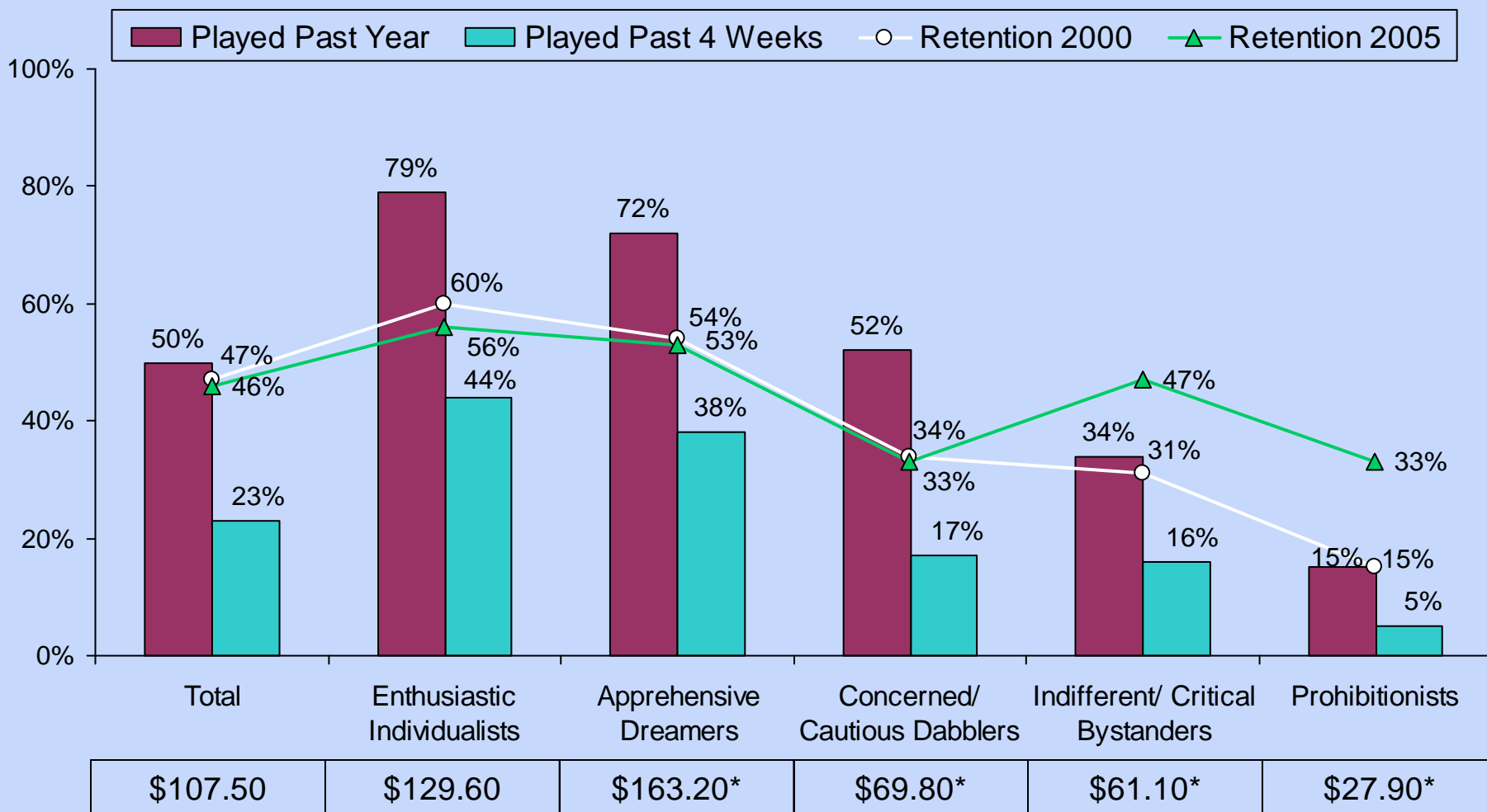


2005





Lottery Games Participation & Retention Summary By Segment



Average \$ Past Year: Among Past Year Players

*Caution: Small base size



Number of Games Played in Past Year by Segment

	Total 2000	Total 2005	Enthusiastic Individualists 2005	Apprehensive Dreamers 2005	Cautious Dabblers 2005
Base: Past year players	n=460 %	n=399 %	n=126 %	n=97* %	n=108 %
1	34%	40%	31%	22%	54%
2	27%	23%	22%	27%	22%
3	21%	19%	25%	23%	9%
4	11%	10%	12%	13%	8%
5	7%	7%	10%	11%	3%

*Caution: Small base size



Cross Play by Segment

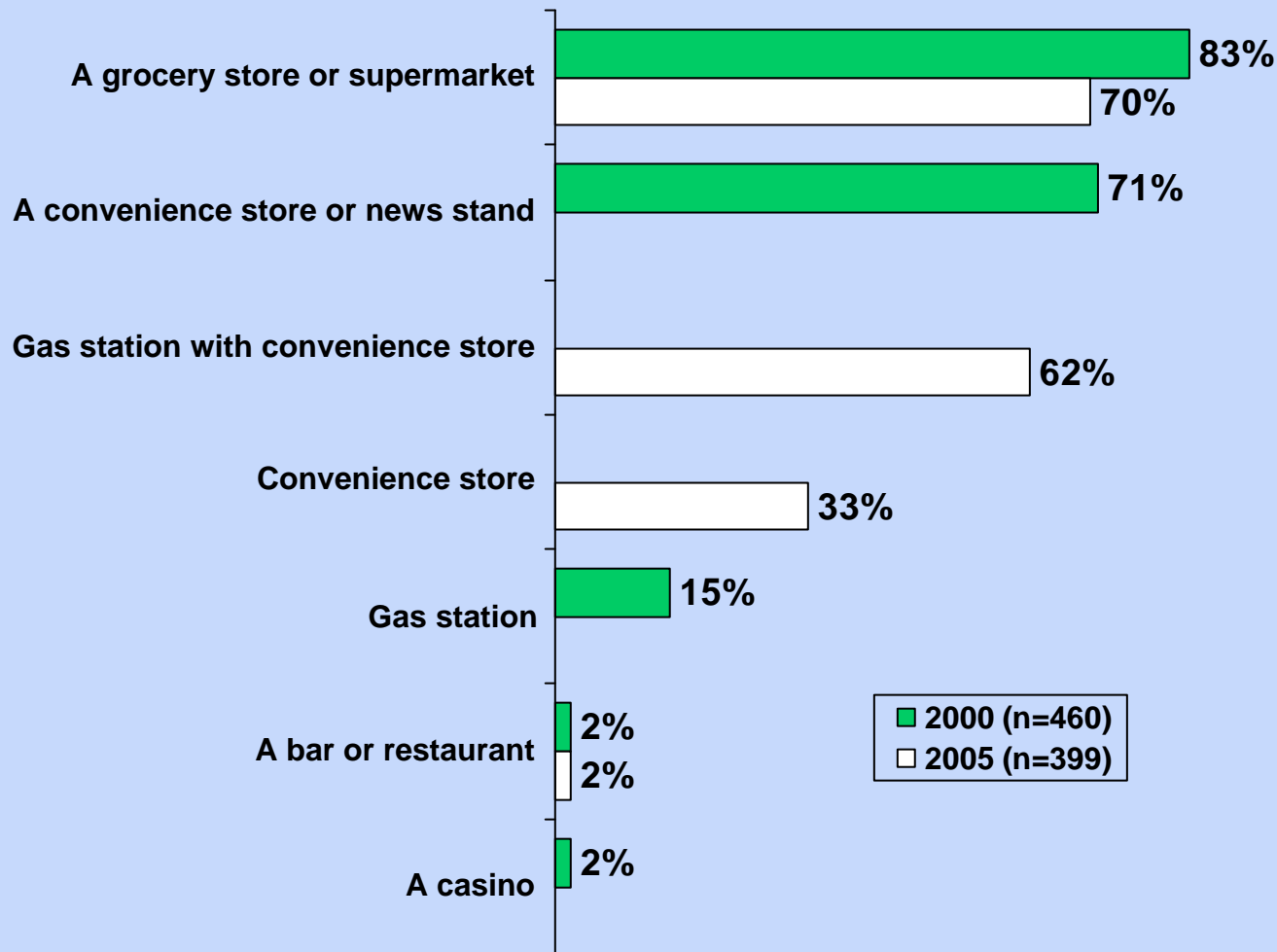
	Total 2000	Total 2005	Enthusiastic Individualists 2005	Apprehensive Dreamers 2005	Cautious Dabblers 2005
Base: Past year players	n=460 %	n=399 %	n=126 %	n=97* %	n=108 %
Powerball only	19%	22%	13%	13%	26%
Powerball, Montana Cash, Scratch Games	12%	4%	6%	5%	1%
Scratch Game only	12%	16%	17%	8%	24%
Powerball, Montana Cash	11%	5%	6%	5%	4%
Powerball, Scratch Games	9%	8%	5%	13%	8%
All five products	7%	7%	9%	11%	3%
Powerball, Montana Cash, Qwik Tix	n/a	5%	6%	4%	4%
Powerball, Montana Cash, Hot Lotto, Wild Card	n/a	4%	6%	4%	3%
Powerball, Montana Cash, Qwik Tix, Scratch Games	n/a	3%	4%	4%	2%

*Caution: Small base size



Purchase Location: Combined 1st & 2nd Most Frequent

d1. "Where do you most frequently purchase your lottery tickets? What is the second most frequent location where you purchase your lottery tickets?"



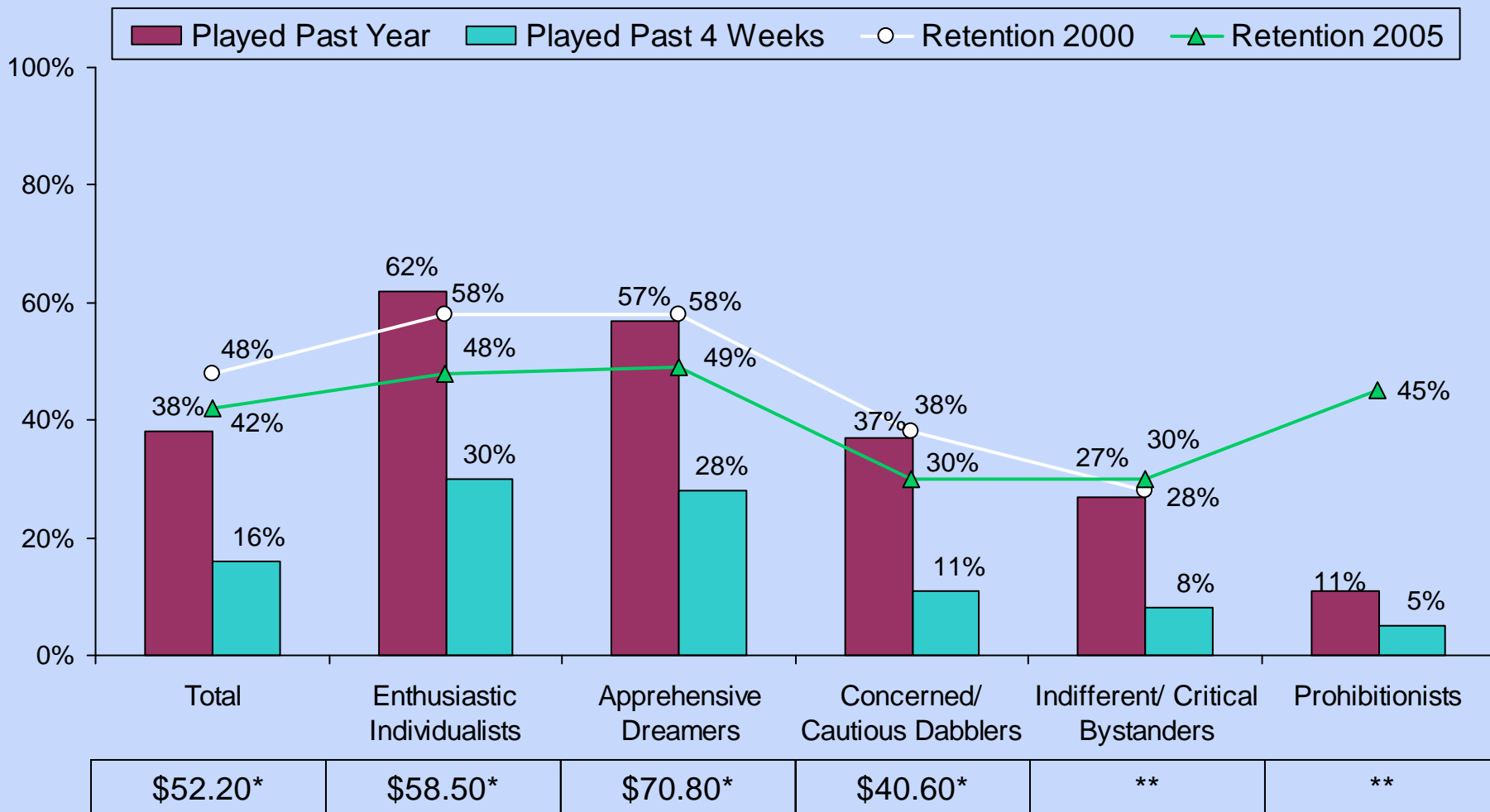
Base: Past year players

Individual Product Review





Powerball Participation & Retention Summary



Average \$ Past Year: Among Past Year Players

*Caution: Small base size **Base too small



Frequency of Powerball Play by Segment

c9_1. "Now I'd like to ask you about how frequently you play different lottery games. On average, how often would you say you play Powerball?"

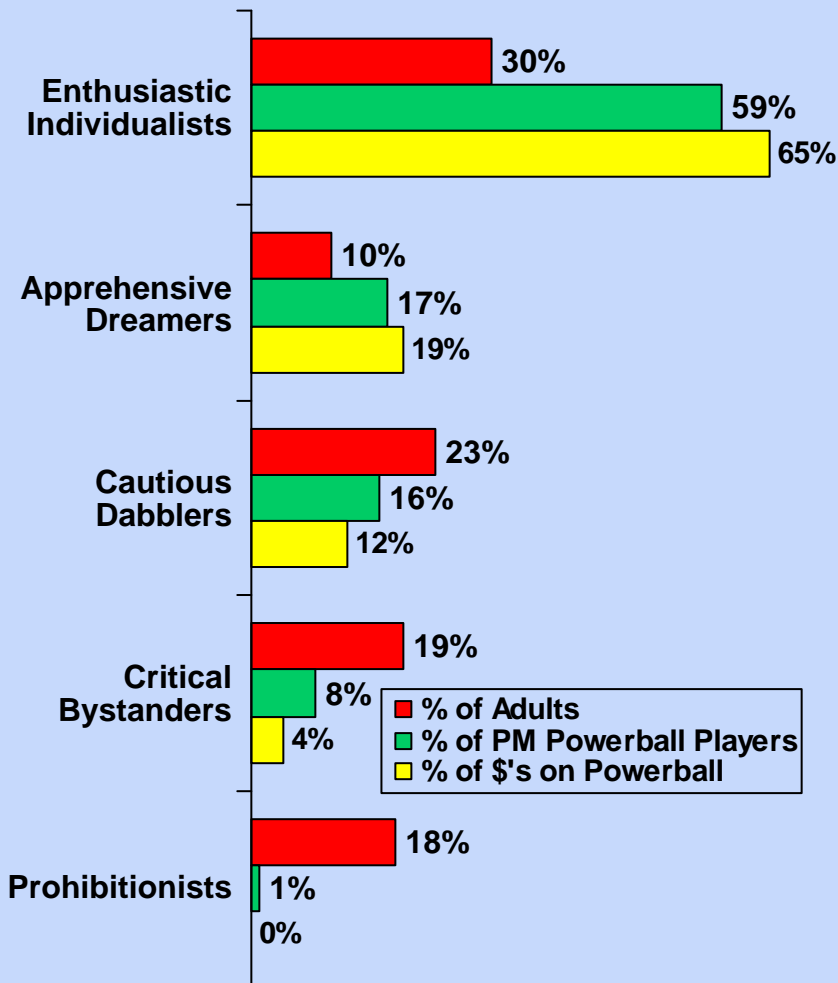
	Total 2000	Total 2005	Enthusiastic Individualists 2005	Apprehensive Dreamers 2005	Cautious Dabblers 2005
Base: Played Powerball in the past year	n=370 %	n=301 %	n=99* %	n=76* %	n=76* %
Twice a week or so	17%	14%	13%	26%	10%
Once a week	15%	14%	22%	8%	12%
2-3 times a month	14%	11%	9%	18%	4%
Once a month	16%	13%	12%	11%	20%
Less than once a month	4%	5%	5%	5%	5%
Once every 3 months	11%	11%	12%	10%	10%
Less than every 3 months	14%	20%	13%	15%	25%
Varies on the Jackpot level	7%	10%	14%	5%	13%

*Caution: Small base size

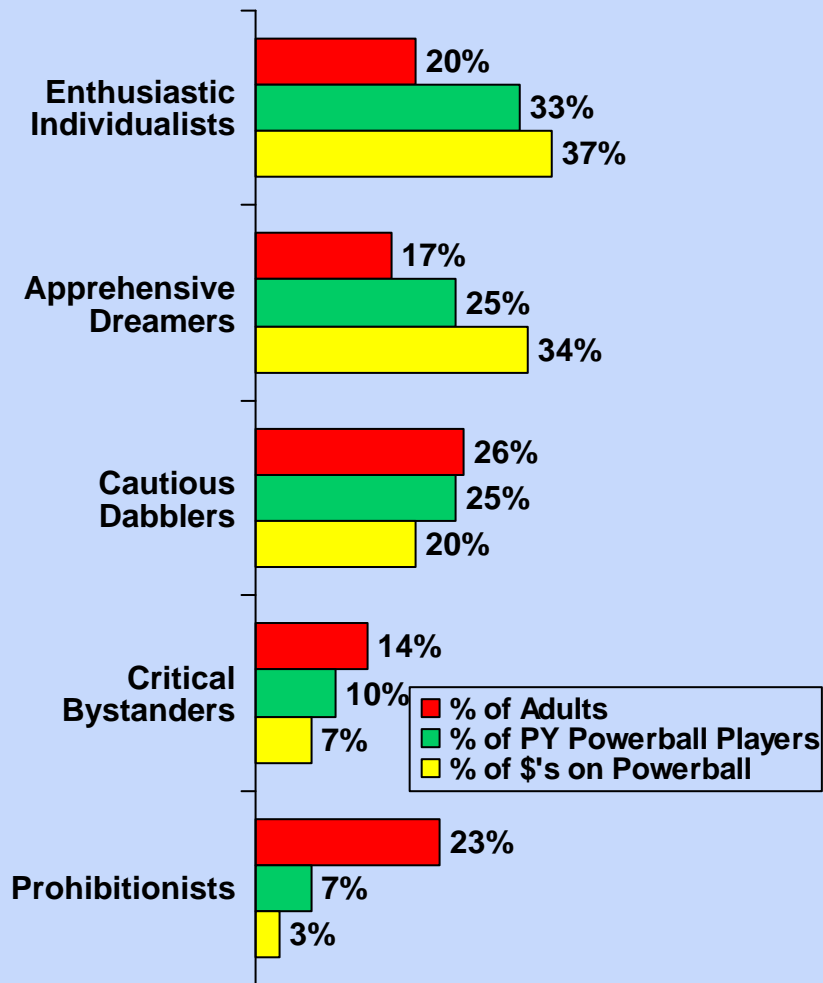


Proportion of Powerball Participation & Spending by Segment

2000

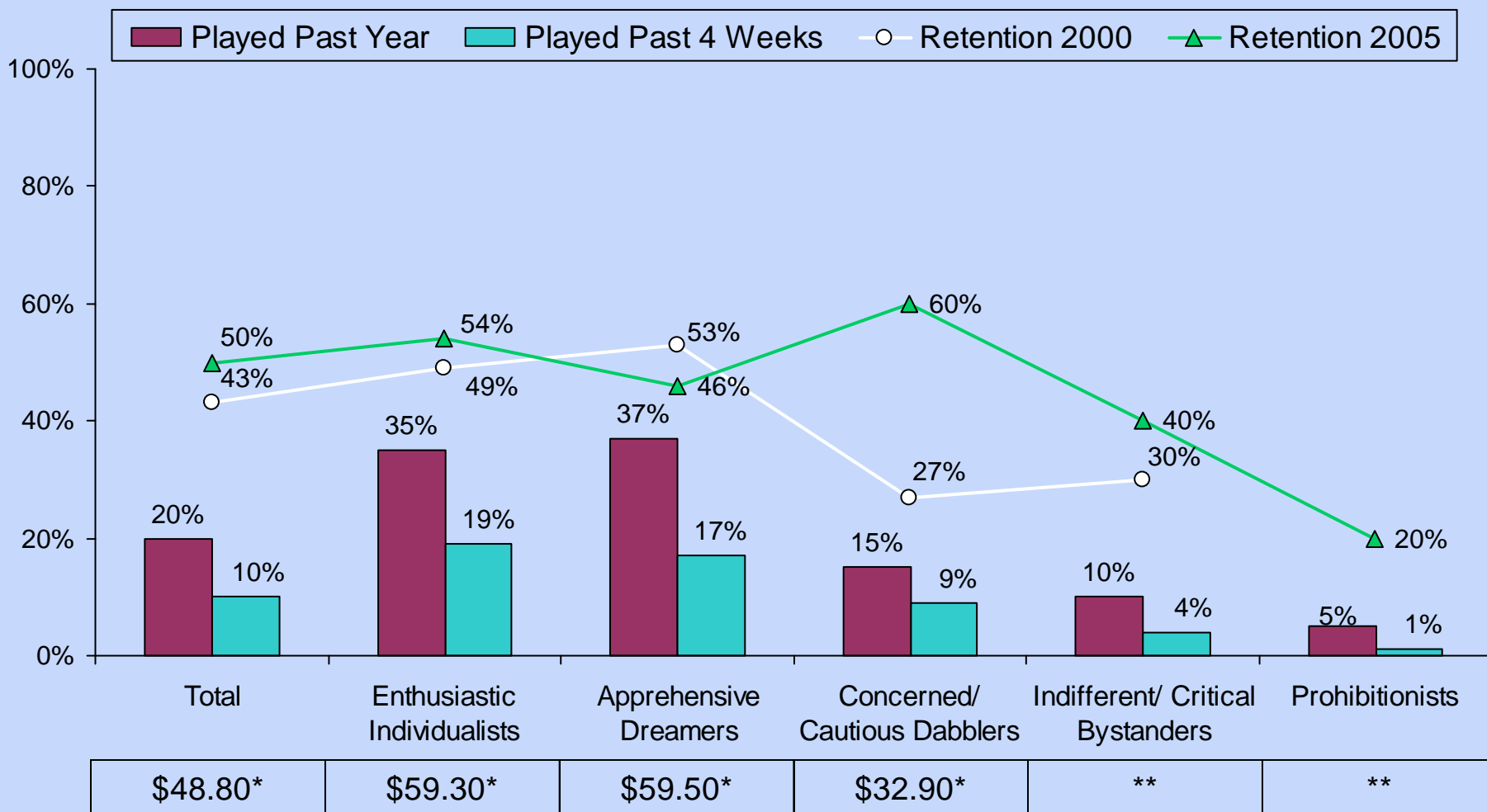


2005





Montana Cash Participation & Retention Summary



Average \$ Past Year: Among Past Year Players

*Caution: Small base size **Base too small



Frequency of Montana Cash Play by Segment

c9_2. "Now I'd like to ask you about how frequently you play different lottery games. On average, how often would you say you play Montana Cash?"

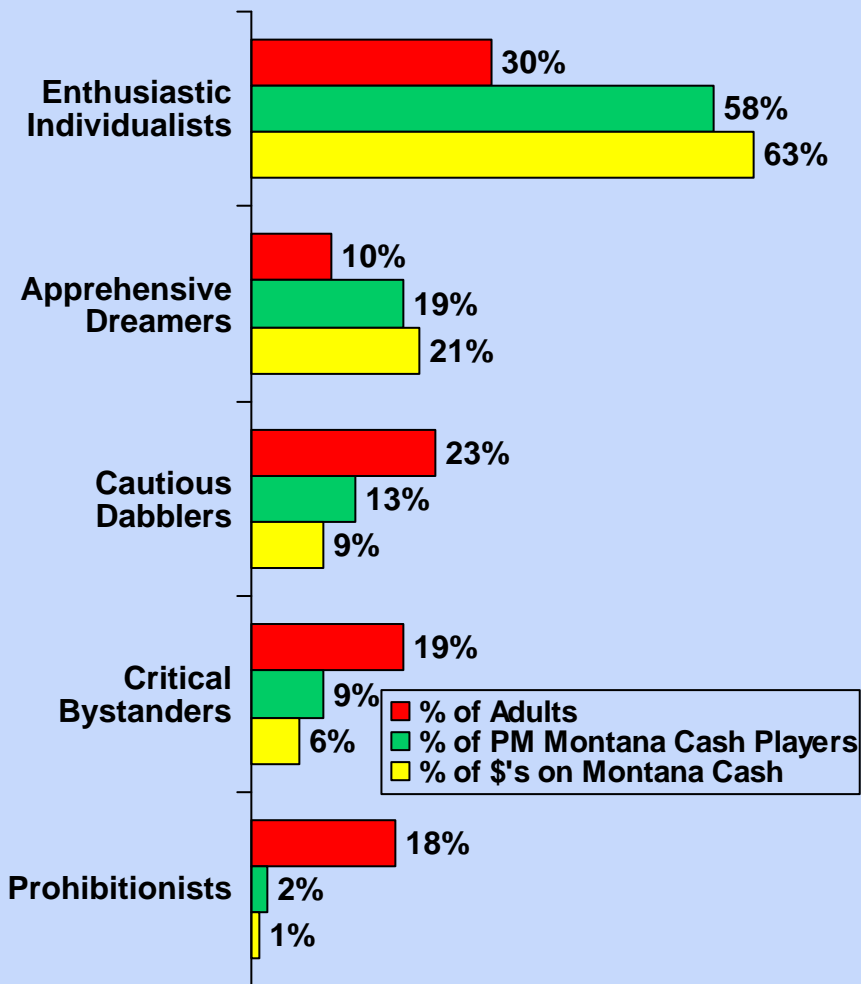
	Total 2000	Total 2005	Enthusiastic Individualists 2005	Apprehensive Dreamers 2005
Base: Played Montana Cash in the past year	n=241 %	n=156 %	n=55* %	n=50* %
Twice a week or so	12%	18%	18%	26%
Once a week	17%	16%	22%	7%
2-3 times a month	12%	13%	15%	19%
Once a month	17%	12%	3%	12%
Less than once a month	5%	4%	3%	8%
Once every 3 months	8%	11%	12%	7%
Less than every 3 months	23%	17%	8%	13%
Varies on the Jackpot level	5%	8%	16%	4%

*Caution: Small base size

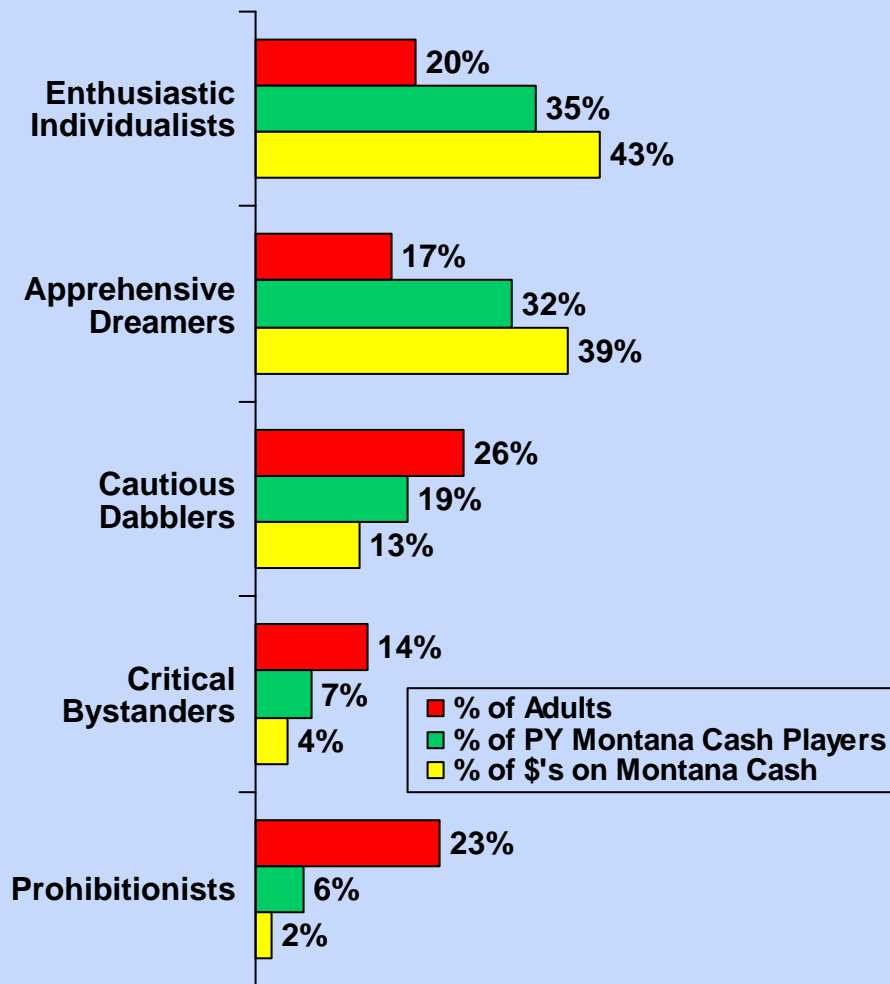


Proportion of Montana Cash Participation & Spending by Segment

2000



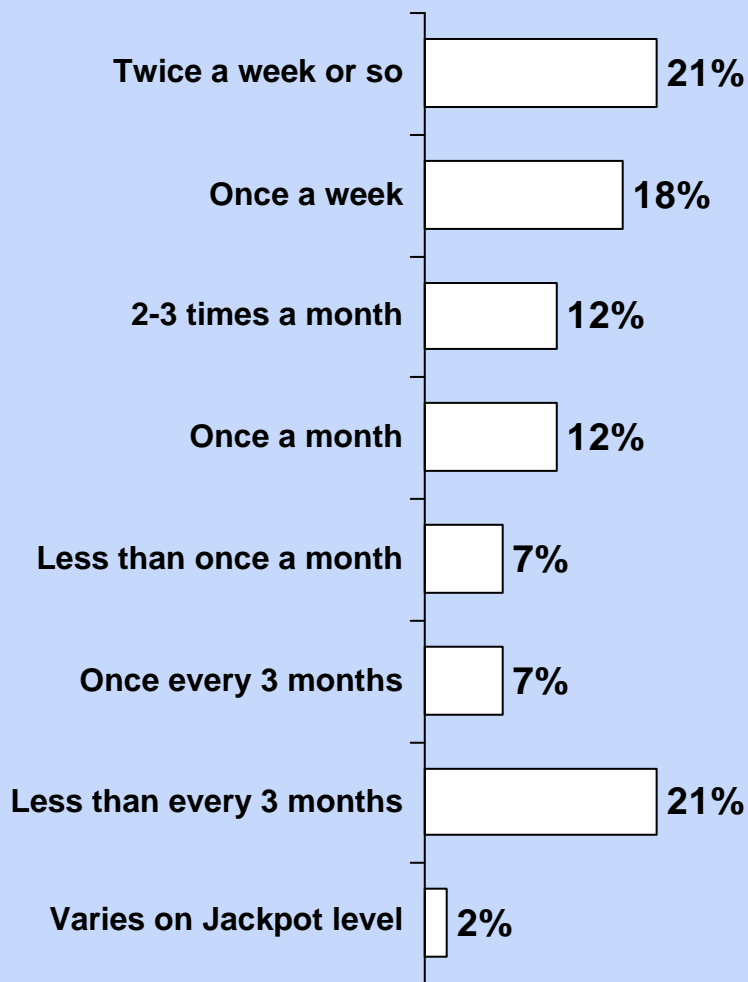
2005





Frequency of Hot Lotto Play

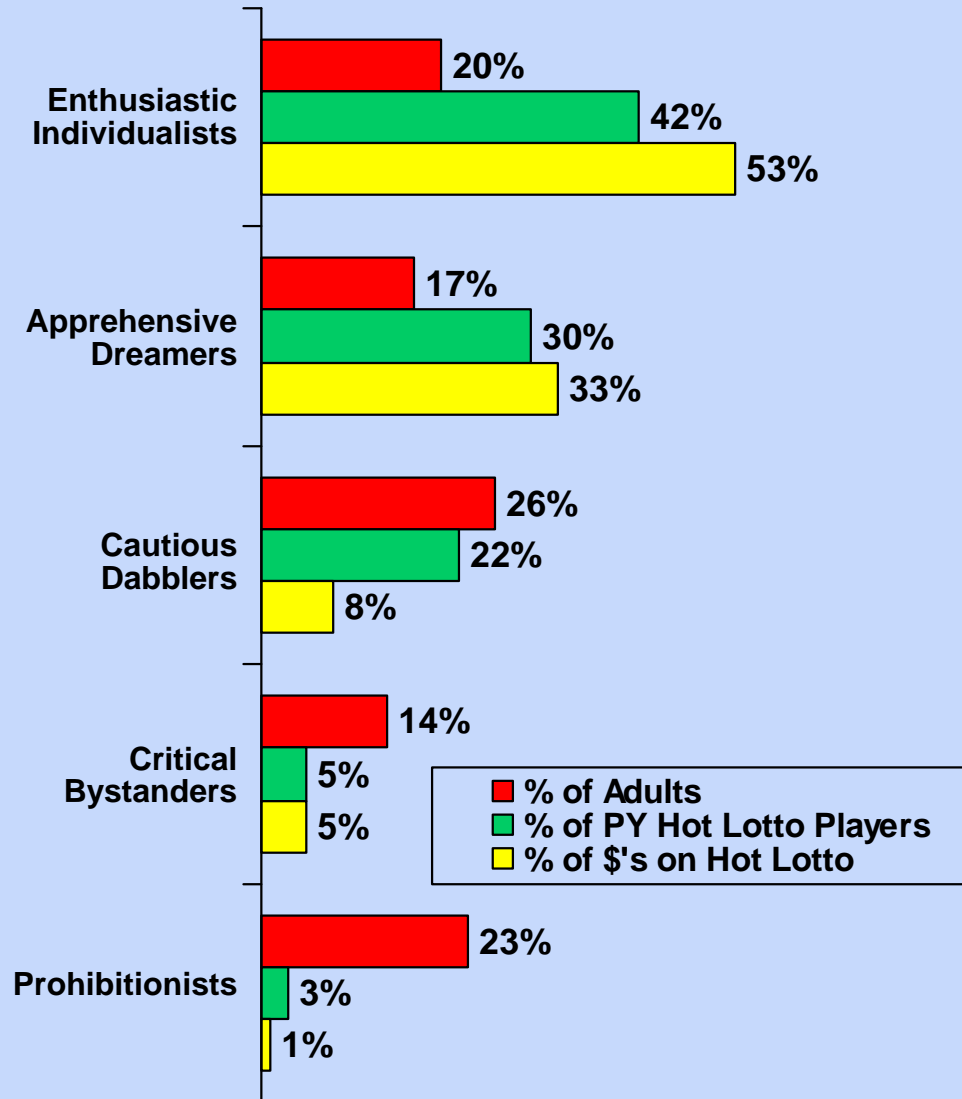
C9_3. *“Now I’d like to ask you about how frequently you play different lottery games. On average, how often would you say you play Hot Lotto?”*



Base: Played Hot Lotto in the past year (n=69*) *Caution: Small base size

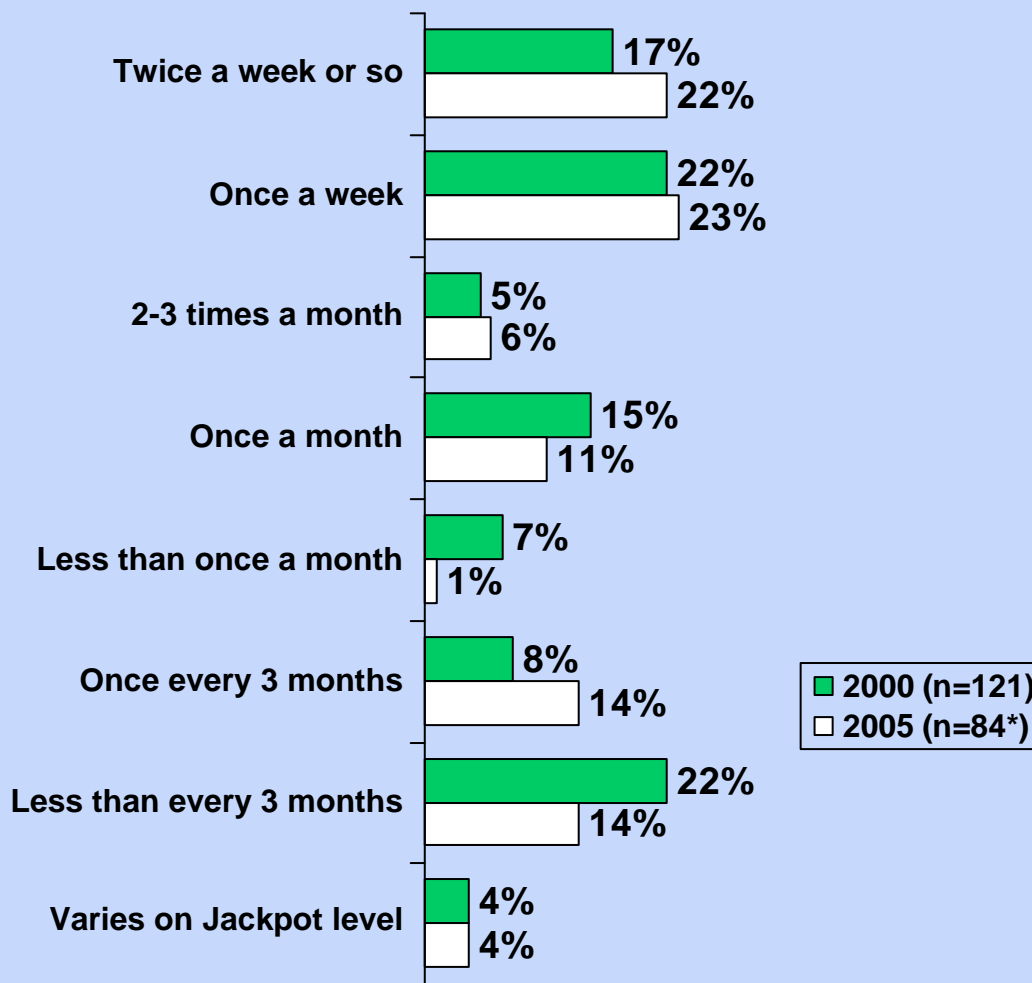


Proportion of Hot Lotto Participation & Spending by Segment



Frequency of Wild Card Play

C9_4. "Now I'd like to ask you about how frequently you play different lottery games. On average, how often would you say you play Wild Card?"

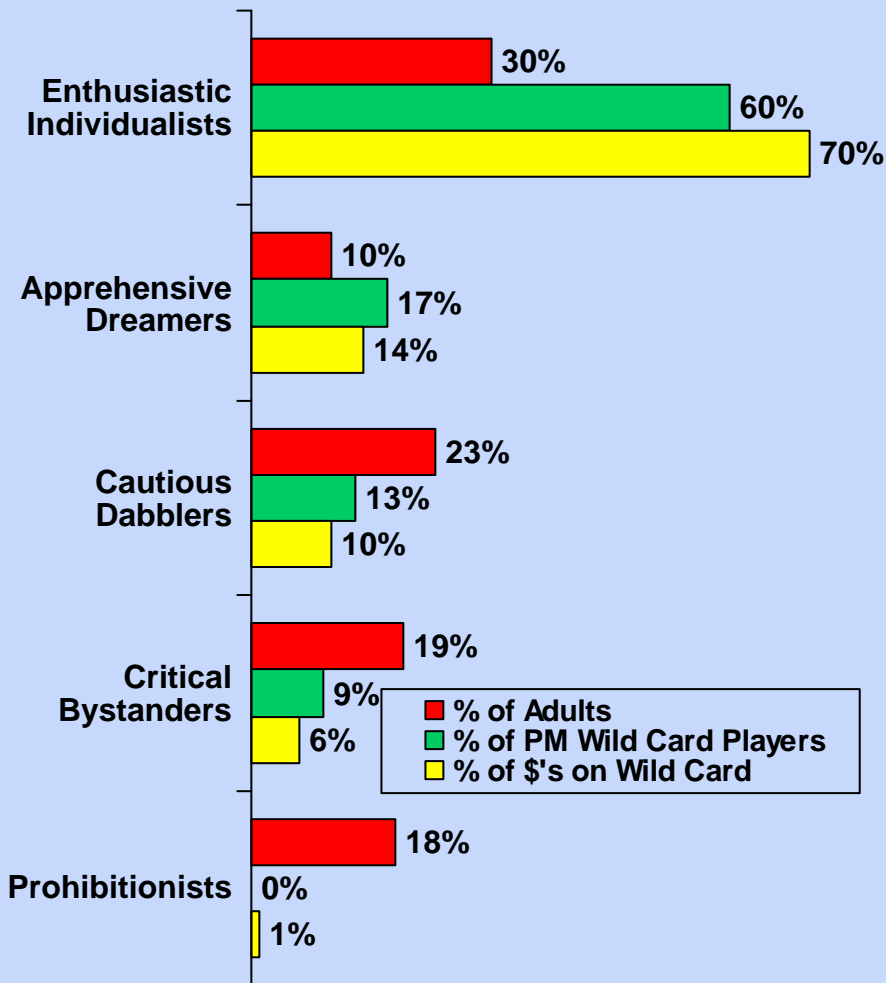


Base: Played Wild Card in the past year *Caution: Small base size

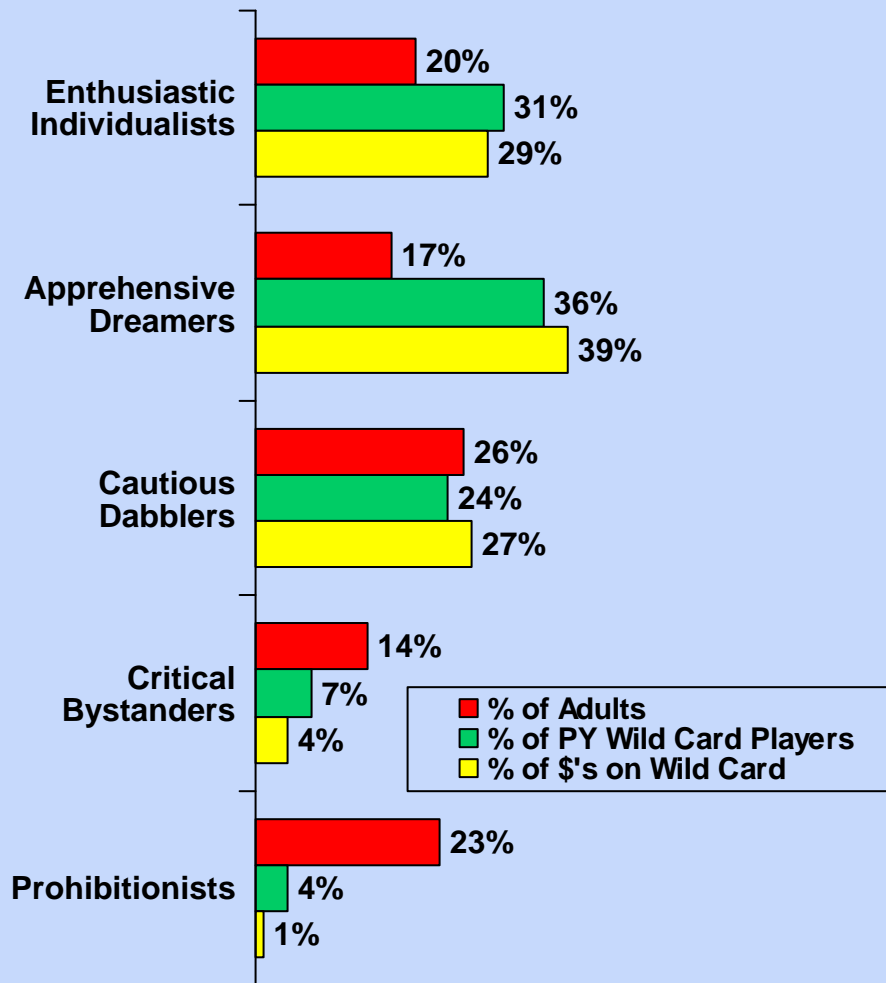


Proportion of Wild Card Participation & Spending by Segment

2000

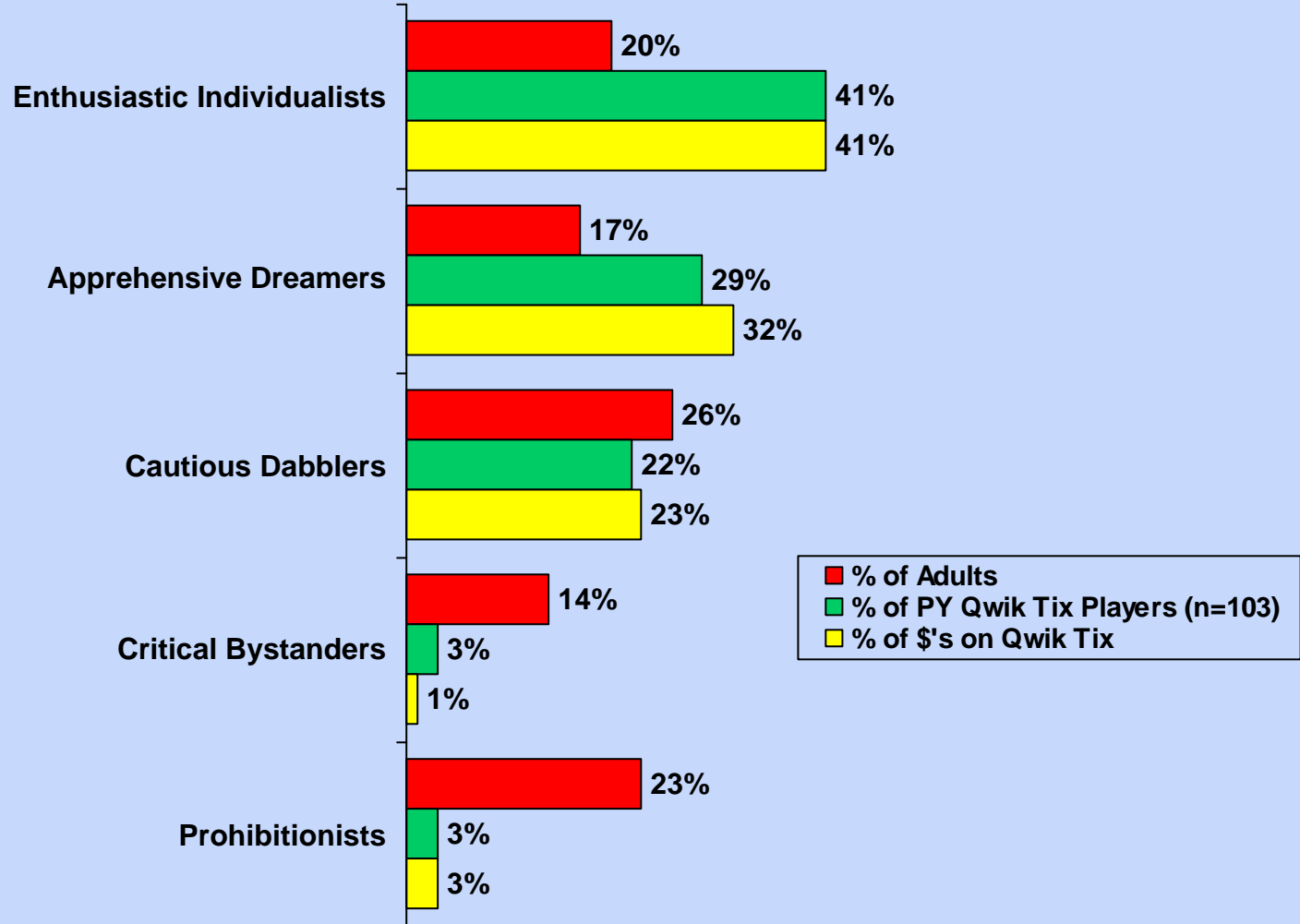


2005



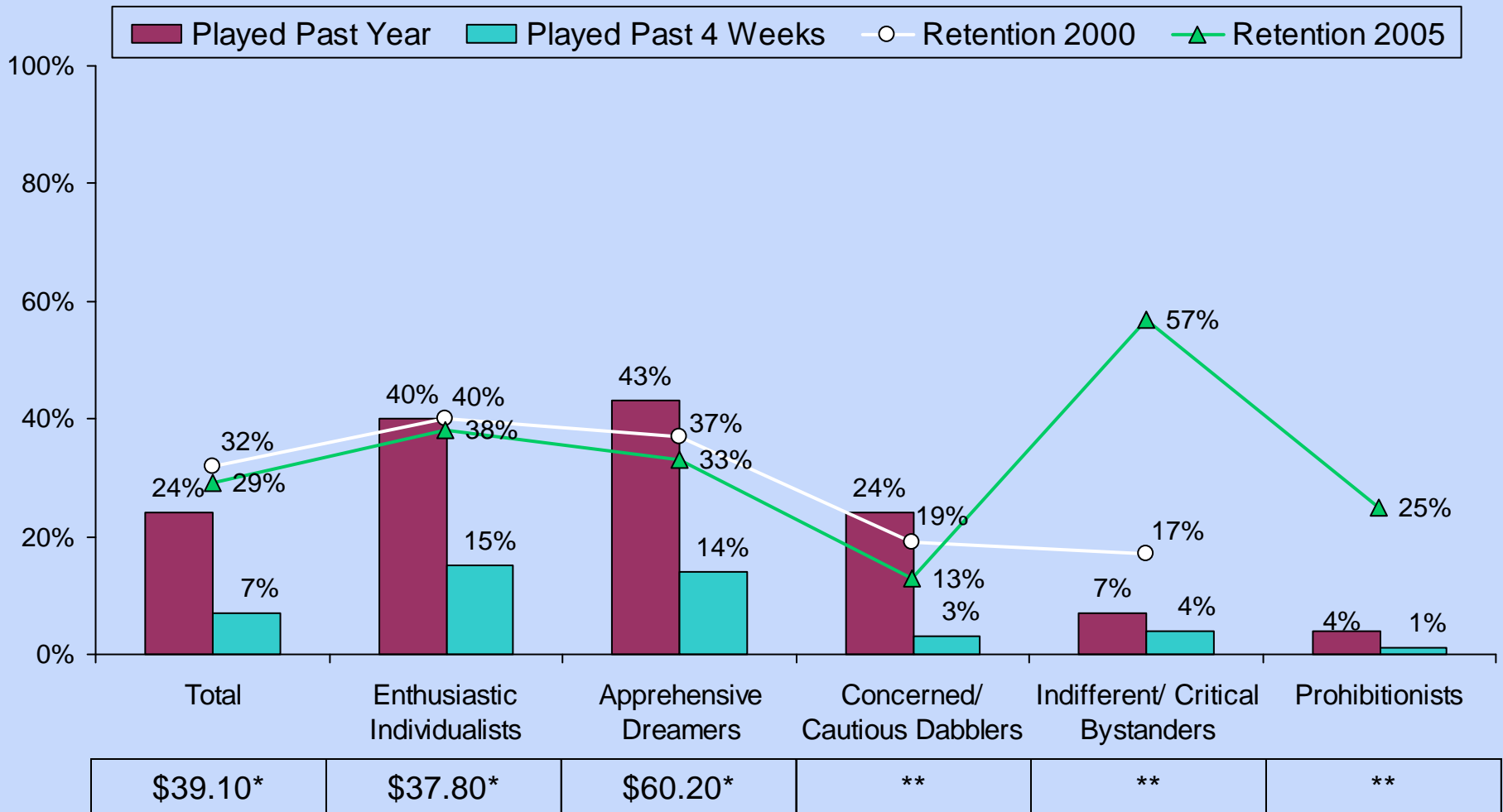


Proportion of Qwik Tix Participation & Spending by Segment





Scratch Game Participation & Retention Summary



Average \$ Past Year: Among Past Year Players

*Caution: Small base size **Base too small



Frequency of Scratch Game Play by Segment

c9_5. "Now I'd like to ask you about how frequently you play different lottery games. On average, how often would you say you play Scratch Games?"

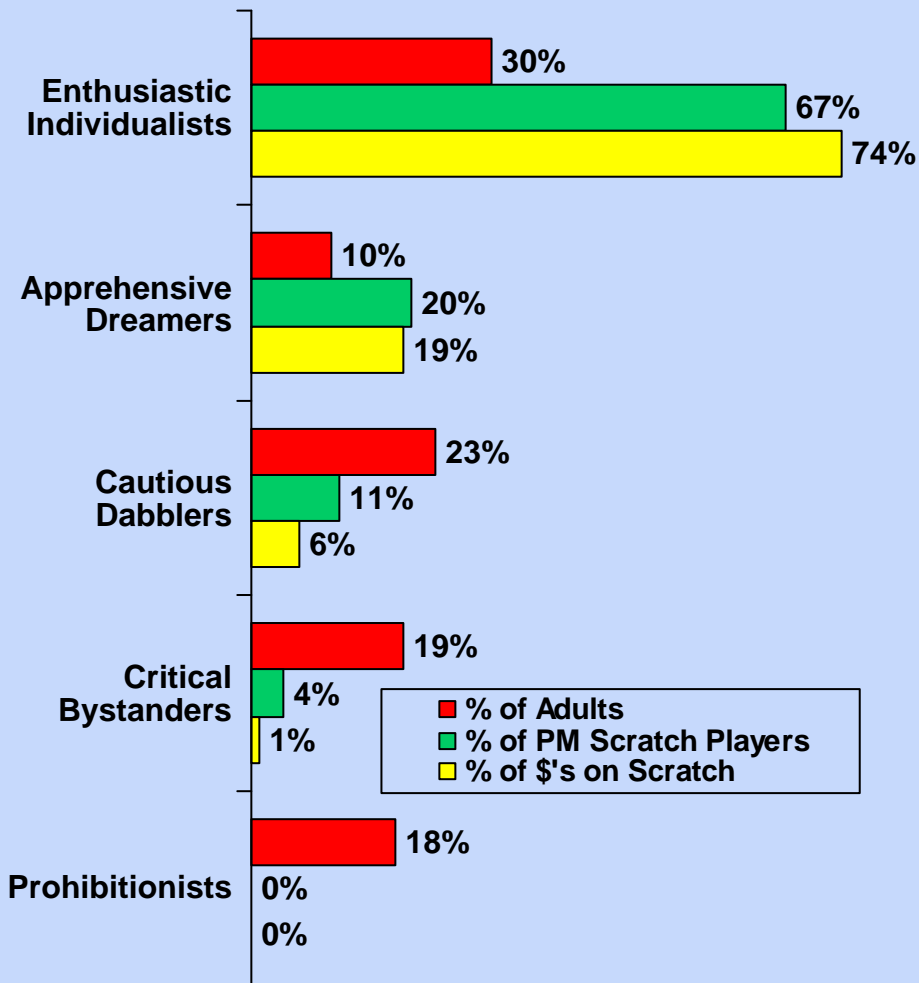
	Total 2000	Total 2005	Enthusiastic Individualists 2005	Apprehensive Dreamers 2005
Base: Played Scratch Games in the past year	n=246 %	n=190 %	n=64* %	n=58* %
Daily	1%	1%	-	2%
Twice a week or so	9%	7%	11%	10%
Once a week	8%	9%	9%	14%
2-3 times a month	15%	14%	18%	14%
Once a month	19%	16%	12%	18%
Less than once a month	6%	5%	8%	-
Once every 3 months	14%	17%	17%	12%
Less than every 3 months	26%	29%	23%	29%

*Caution: Small base size

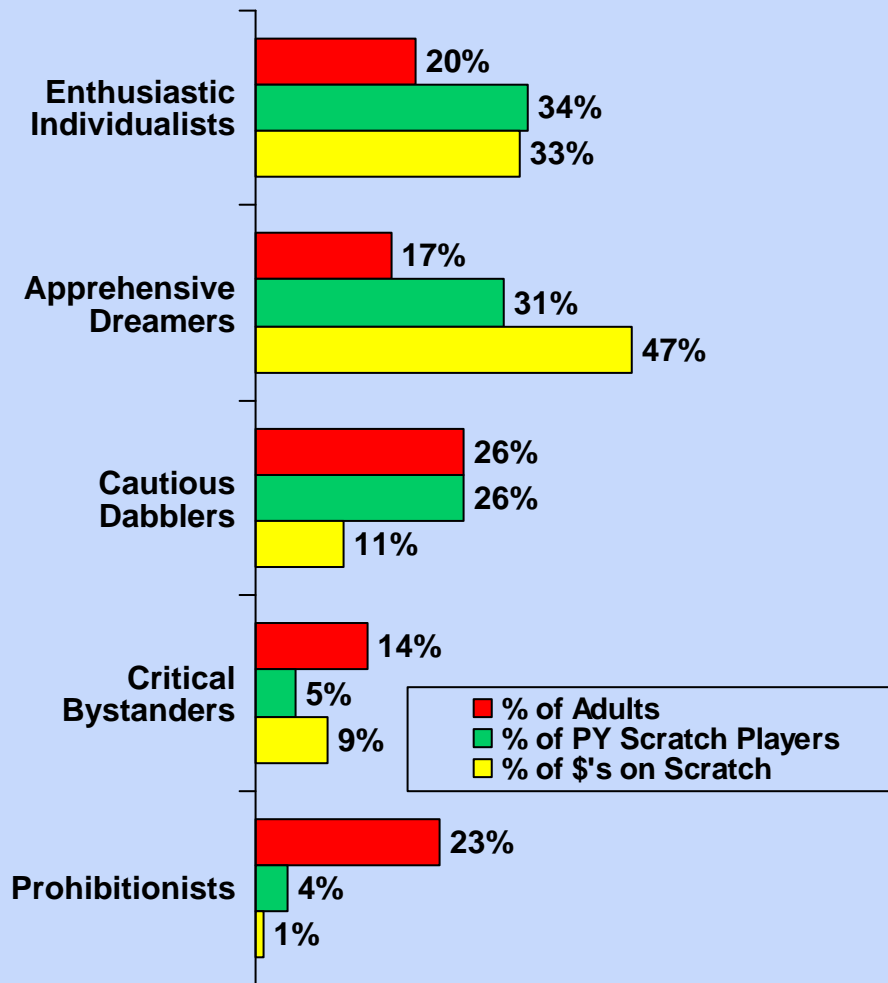


Proportion of Scratch Game Participation & Spending by Segment

2000



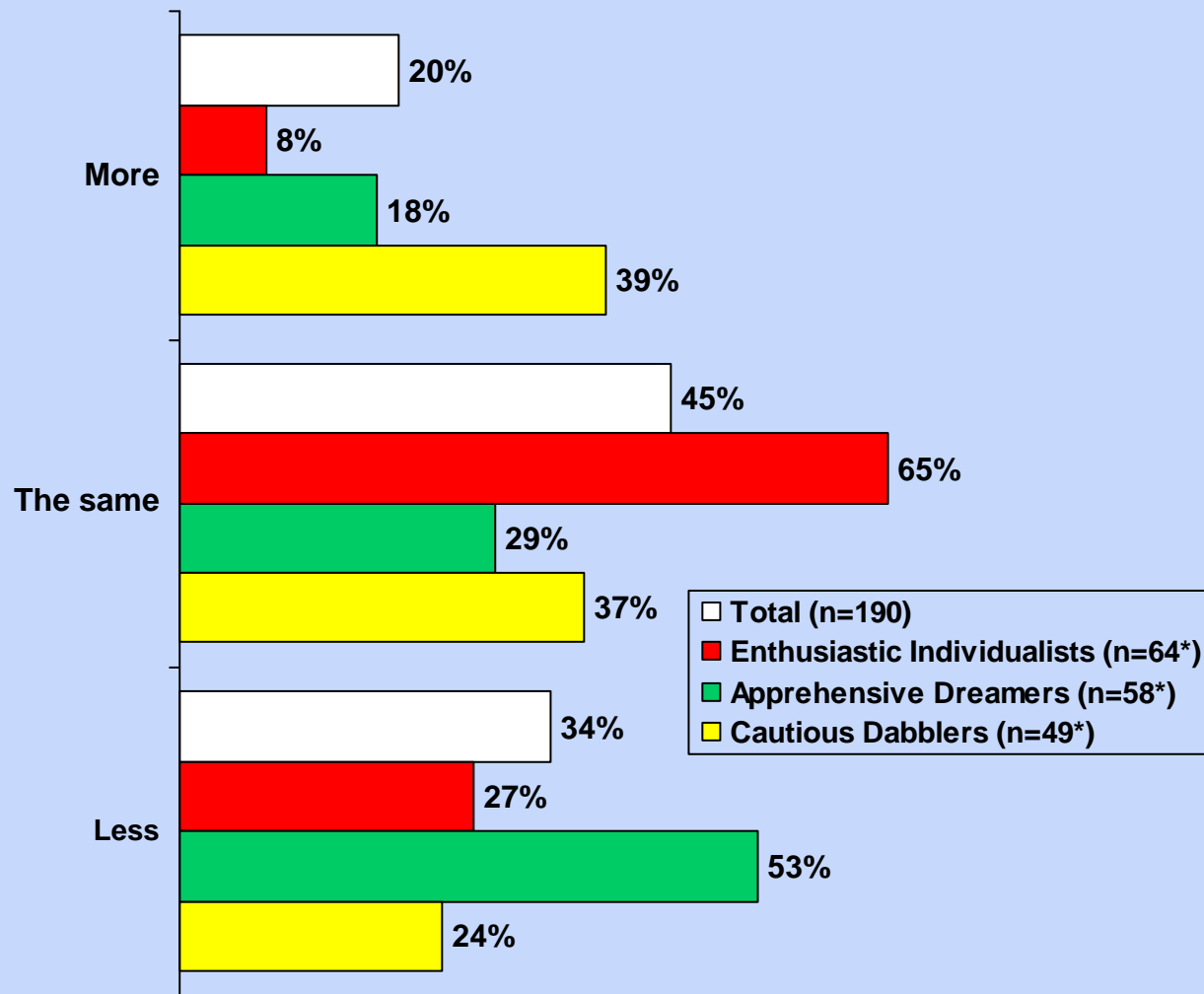
2005





Spending Habits on Scratch Games by Segment

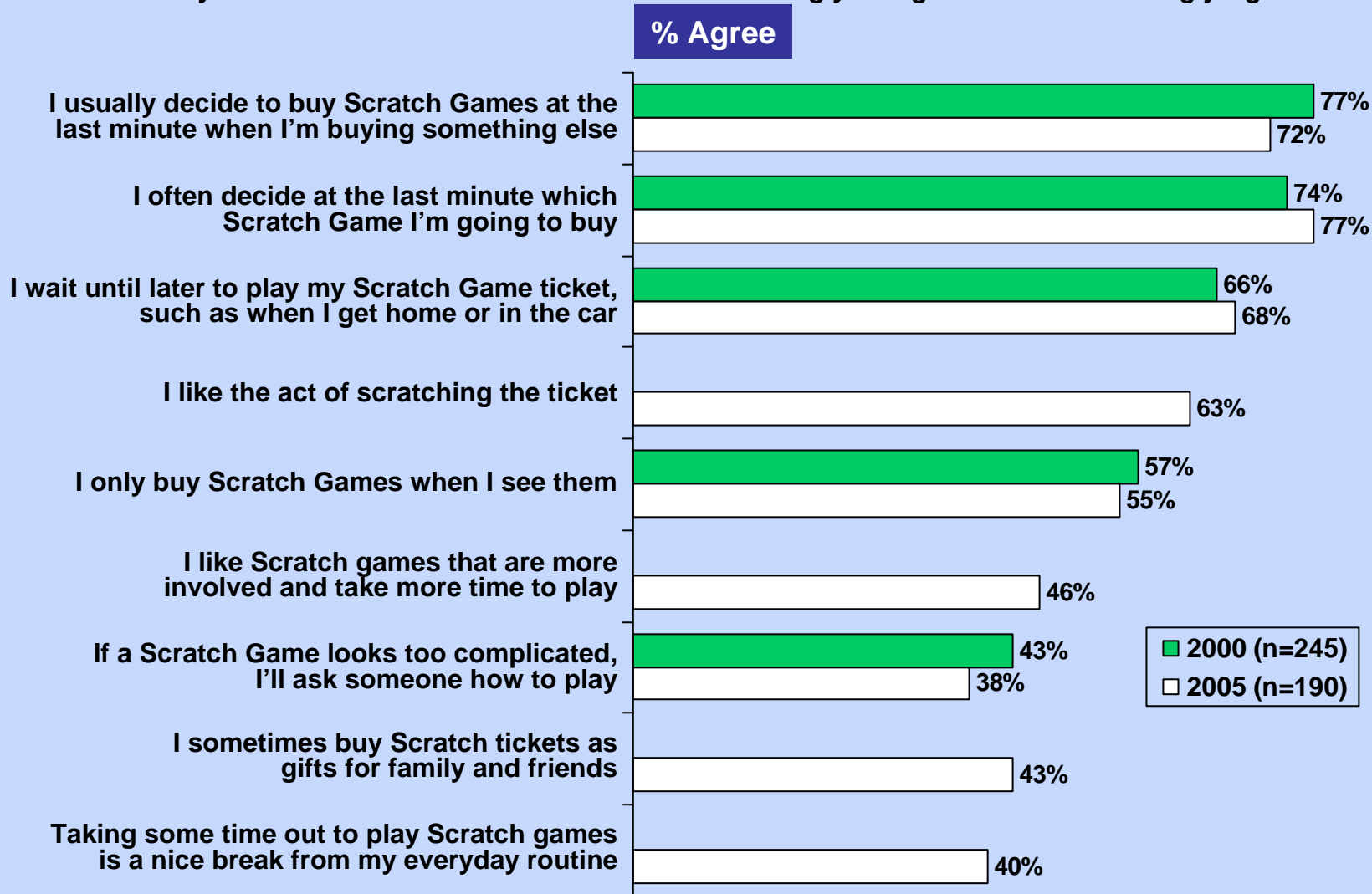
c6. "Compared to a year ago, would you say that you are spending more, the same, or less on Scratch Games?"



Base: Played Scratch Games in the past year *Caution: Small base size

Scratch Purchase Habits

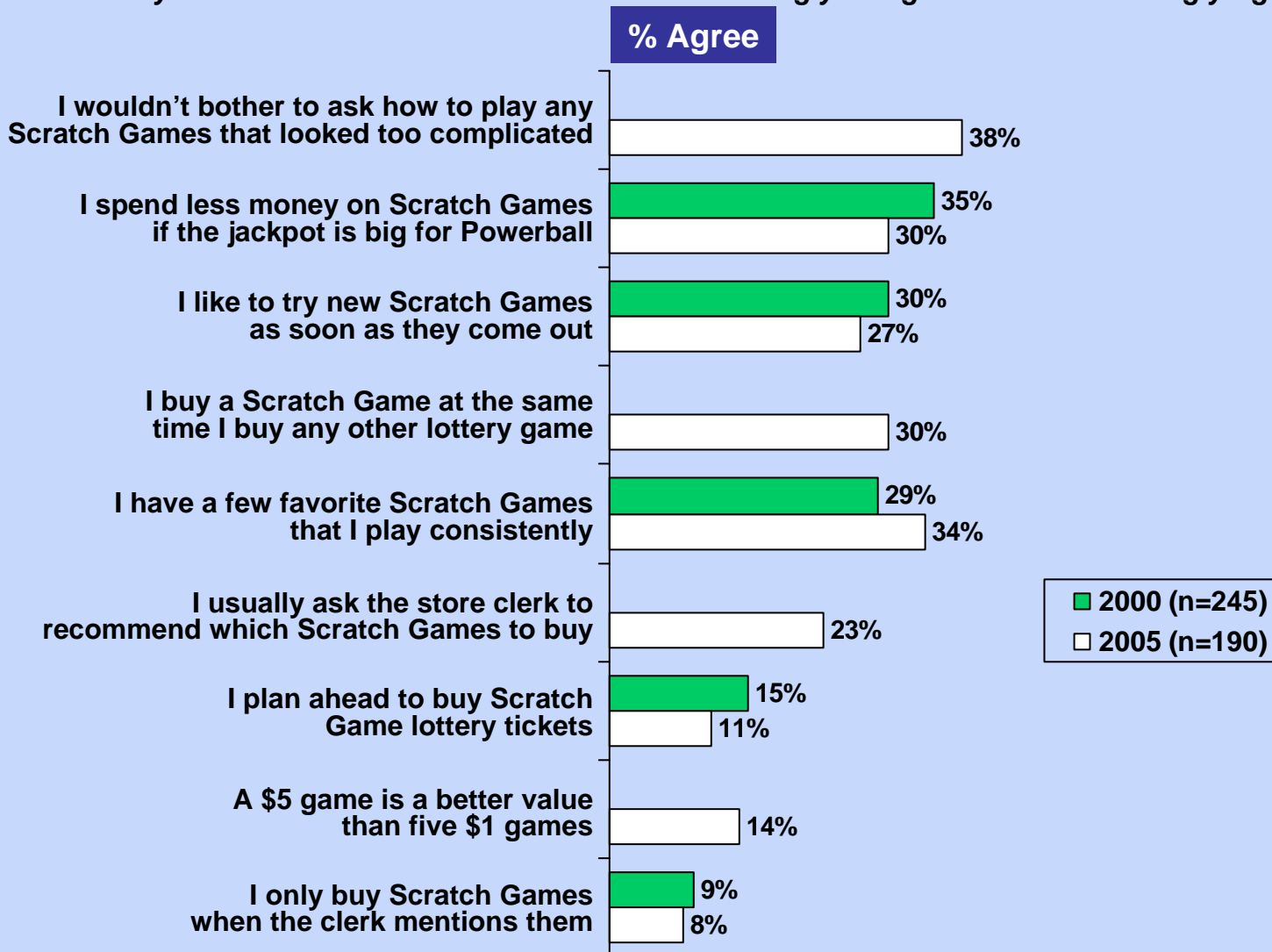
d2. "I am going to read you a short list of statements about playing Scratch games. For each statement, please tell me how you feel on a scale from 1 to 7 where 1 is "Strongly Disagree" and 7 is "Strongly Agree"."



Base: Played Scratch Games in the past year

Scratch Purchase Habits

d2. "I am going to read you a short list of statements about playing Scratch games. For each statement, please tell me how you feel on a scale from 1 to 7 where 1 is "Strongly Disagree" and 7 is "Strongly Agree"."

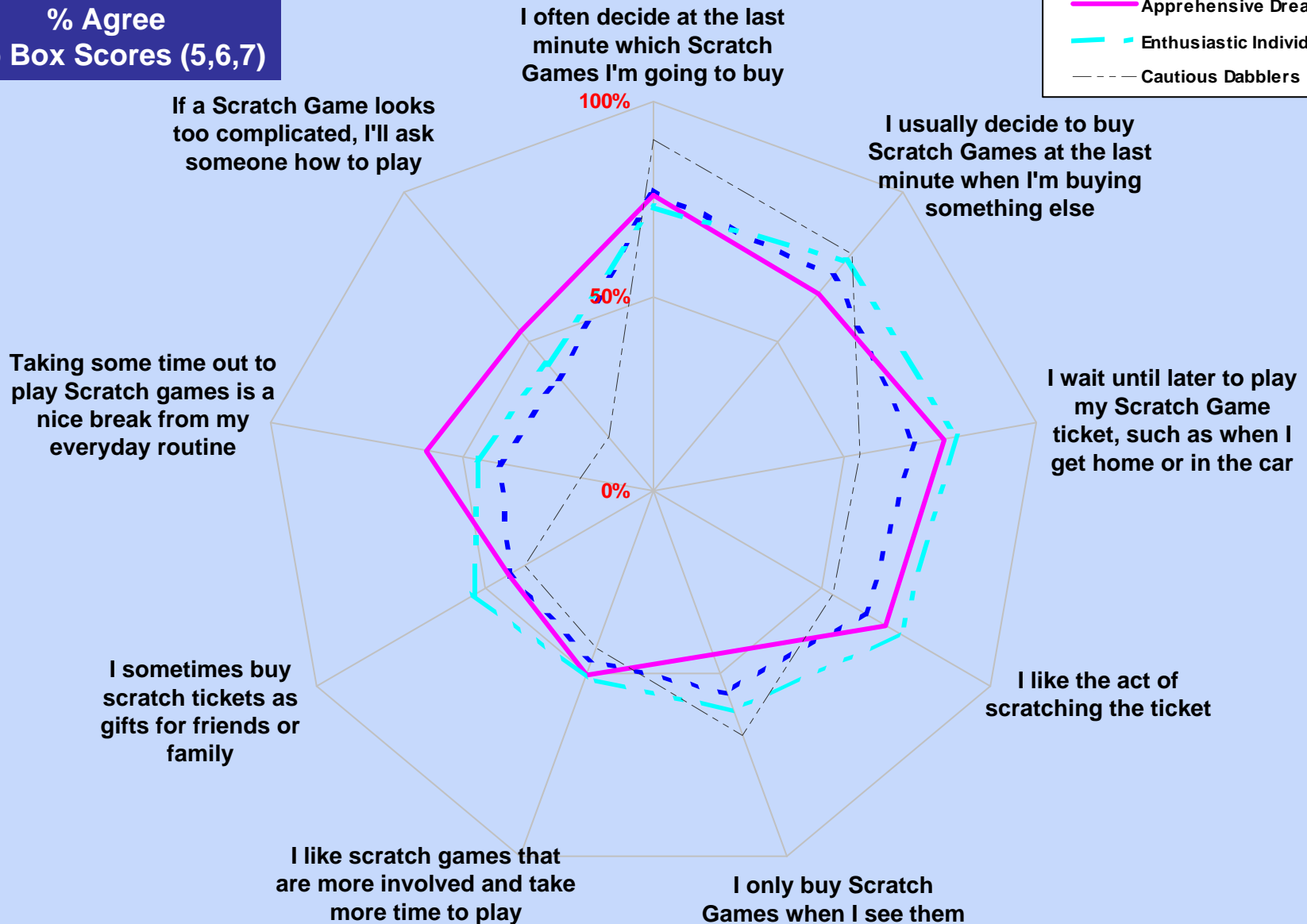
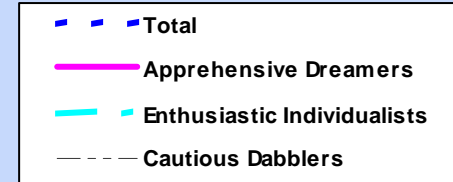


Base: Played Scratch Games in the past year



Scratch Purchase Habits by Segment

% Agree
Top Box Scores (5,6,7)

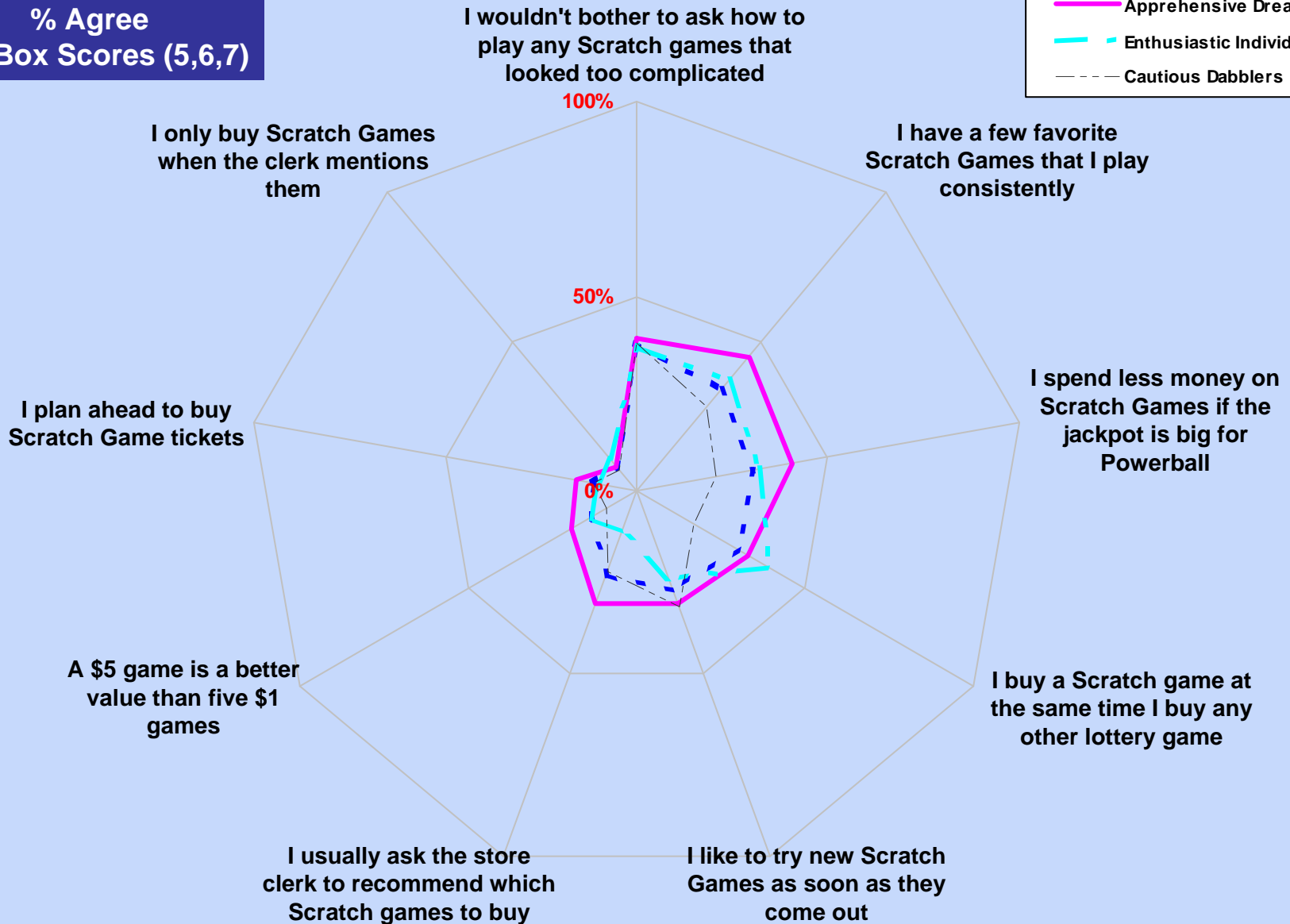
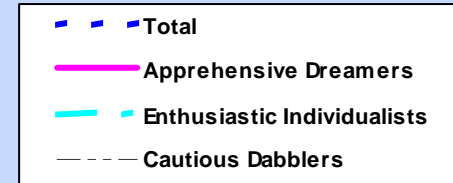




(continued)

Scratch Purchase Habits by Segment

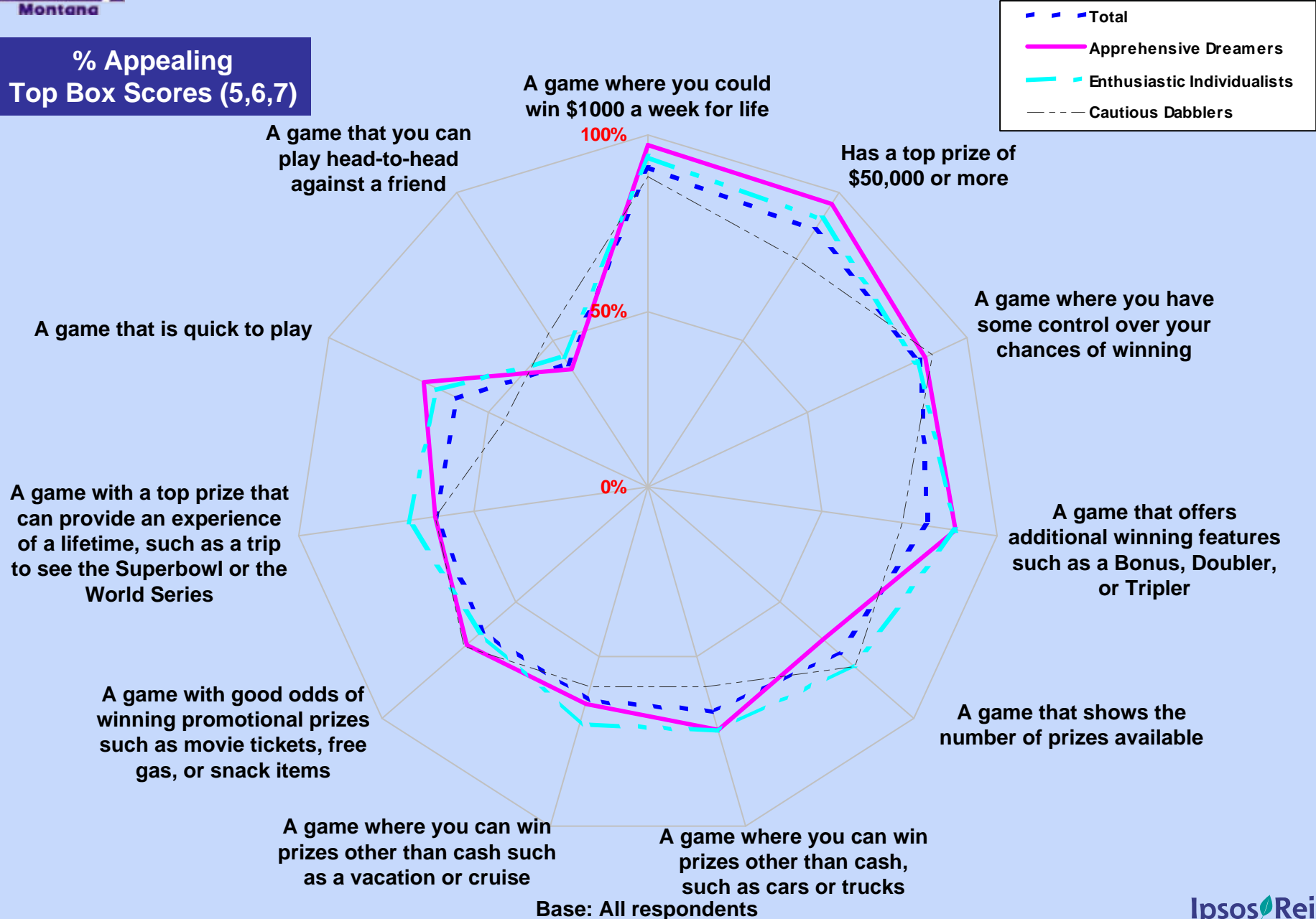
% Agree
Top Box Scores (5,6,7)





Ideal Scratch Game Attributes by Segment

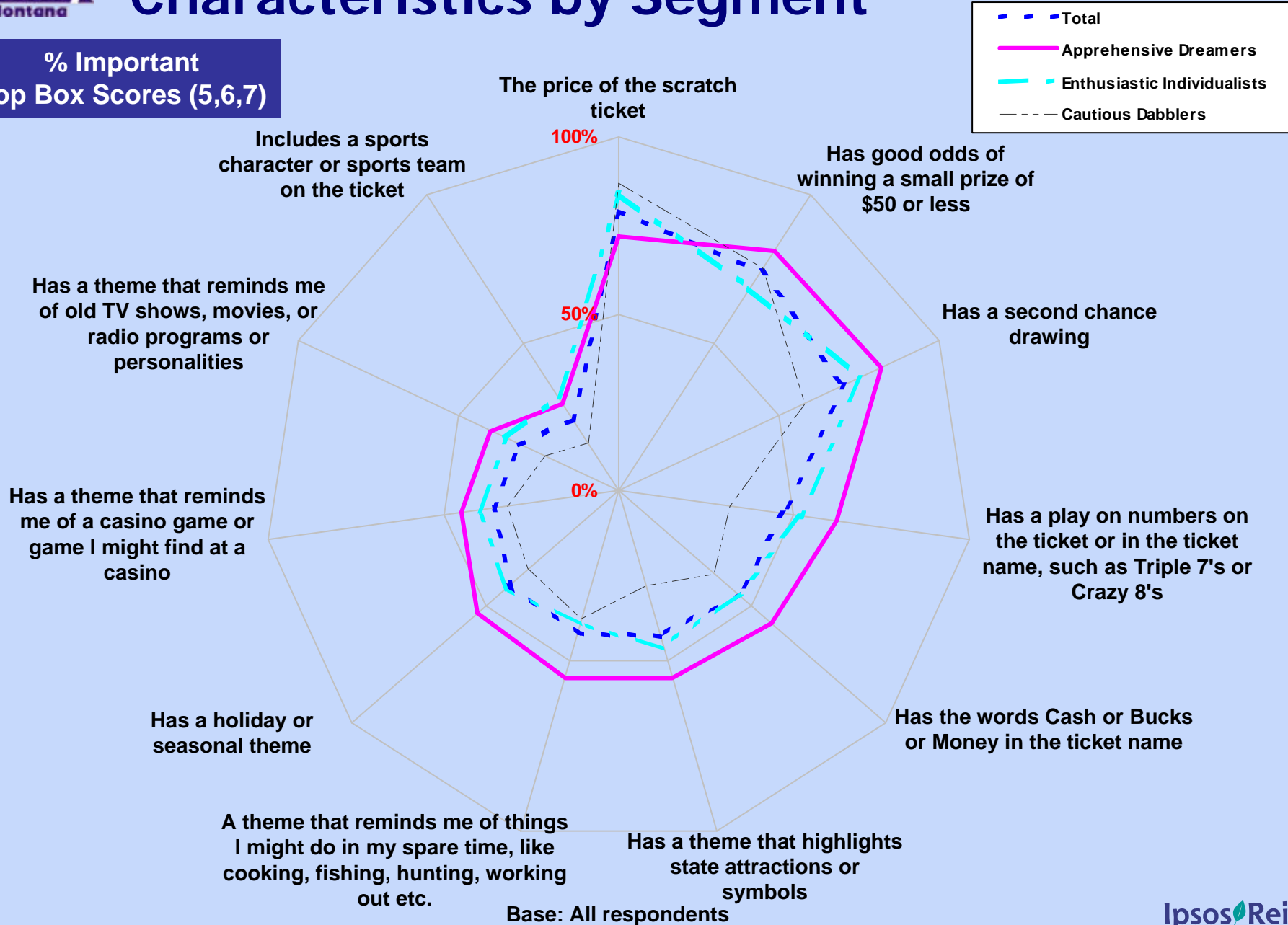
% Appealing
Top Box Scores (5,6,7)





Importance of Scratch Game Characteristics by Segment

% Important
Top Box Scores (5,6,7)

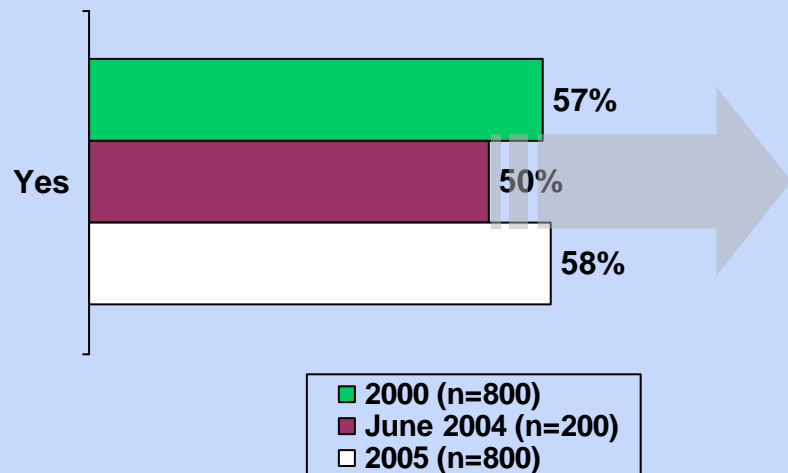


Ad Awareness

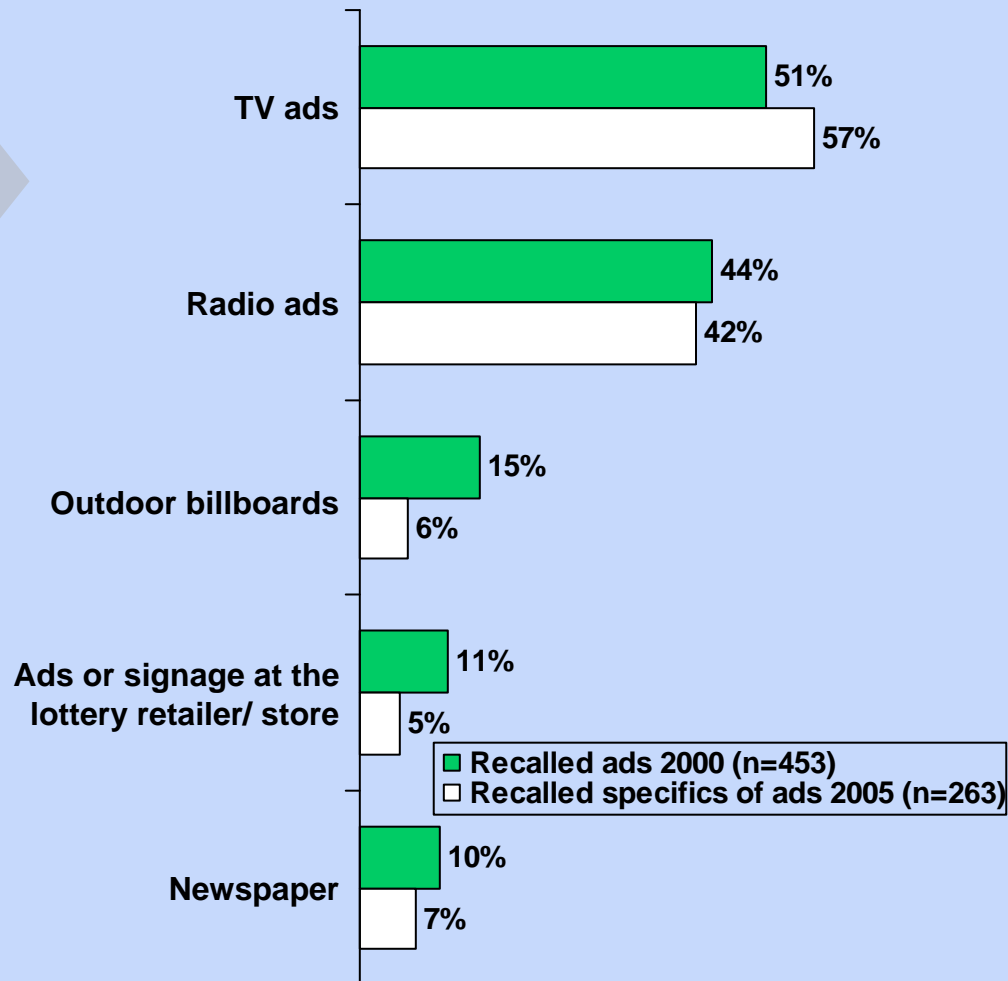


Ad Awareness of Lottery Games

a3. "Thinking back over the past few months, can you recall seeing or hearing any advertising for the Montana Lottery or for Montana Lottery games?"



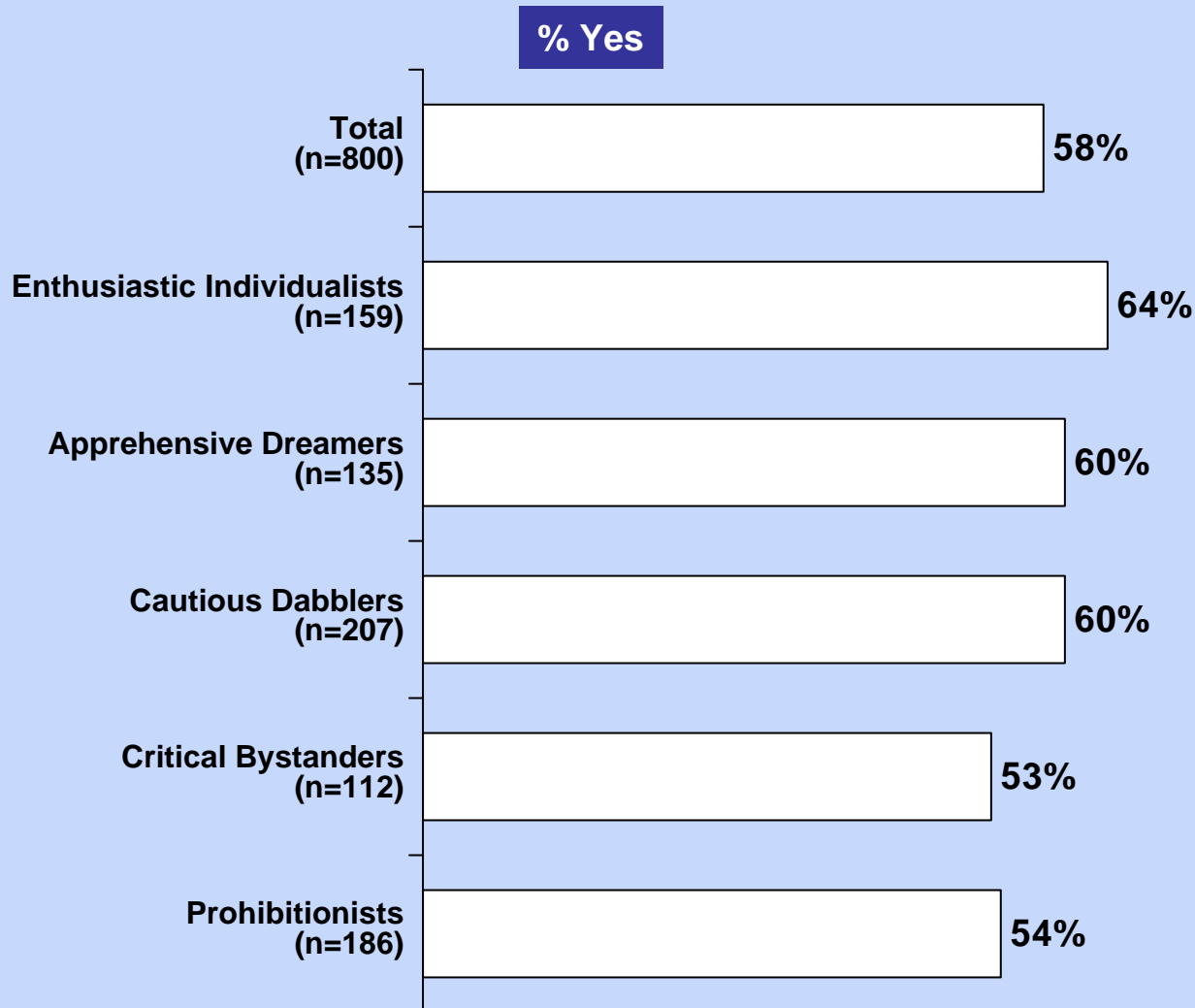
a5. "Can you recall where you saw or heard advertising about the Montana Lottery?"





Overall Montana Lottery Advertising Awareness by Segment

a3. "Thinking back over the past few months, can you recall seeing or hearing any advertising for the Montana Lottery or for Montana Lottery games?"



Base: All respondents



Recall of Ad Medium by Segment

a5. "Can you recall where you saw or heard advertising about the Montana Lottery?"

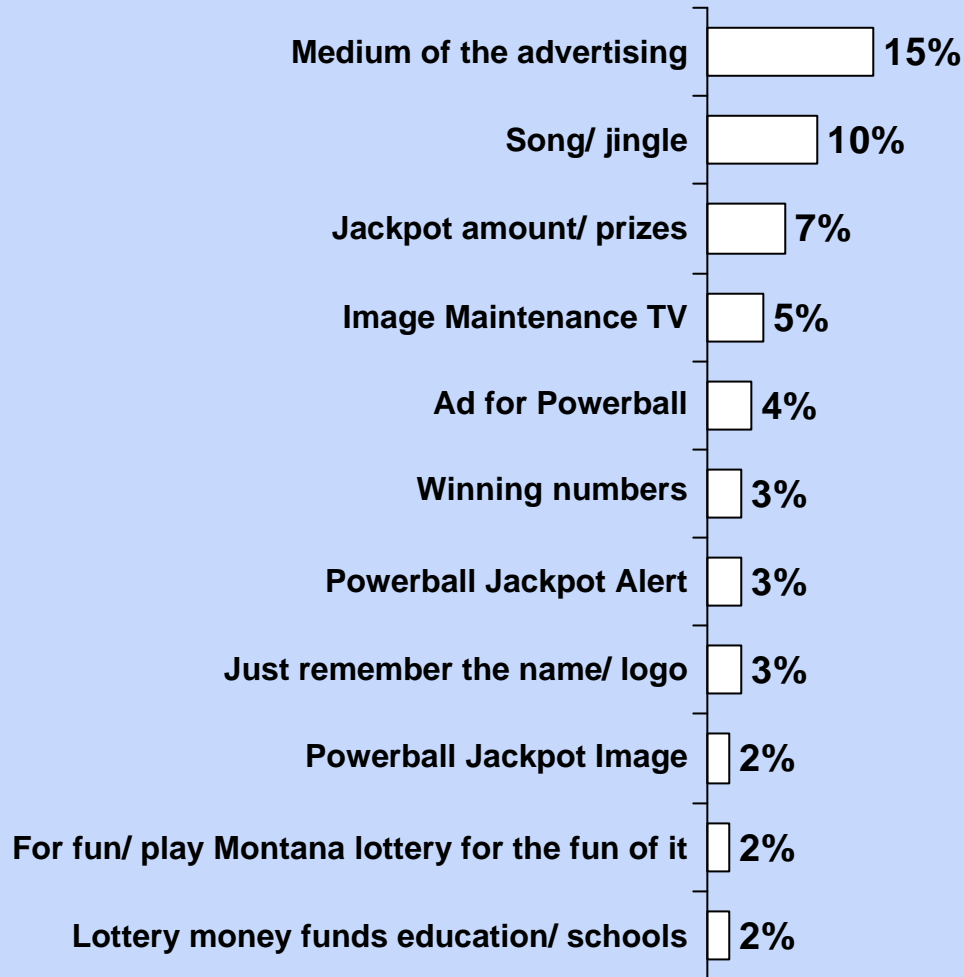
	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers
Base: Remembers something about the Montana Lottery	n=263 %	n=65* %	n=47* %	n=70* %
TV ads	57%	47%	71%	61%
Radio ads	42%	37%	35%	55%
Newspaper ads	7%	1%	15%	7%
Outdoor billboards	6%	6%	1%	12%
Ads or signage at the lottery retailer/store	5%	6%	4%	7%
Grocery store/ gas station	5%	15%	-	1%
Lottery clerk at the store	1%	2%	2%	1%
(DK/NS)	4%	1%	4%	-

*Caution: Small base size



Unaided Recall of Montana Lottery Advertising

a4. "Please tell me everything you remember about the Montana Lottery advertising you have seen, heard, or read."

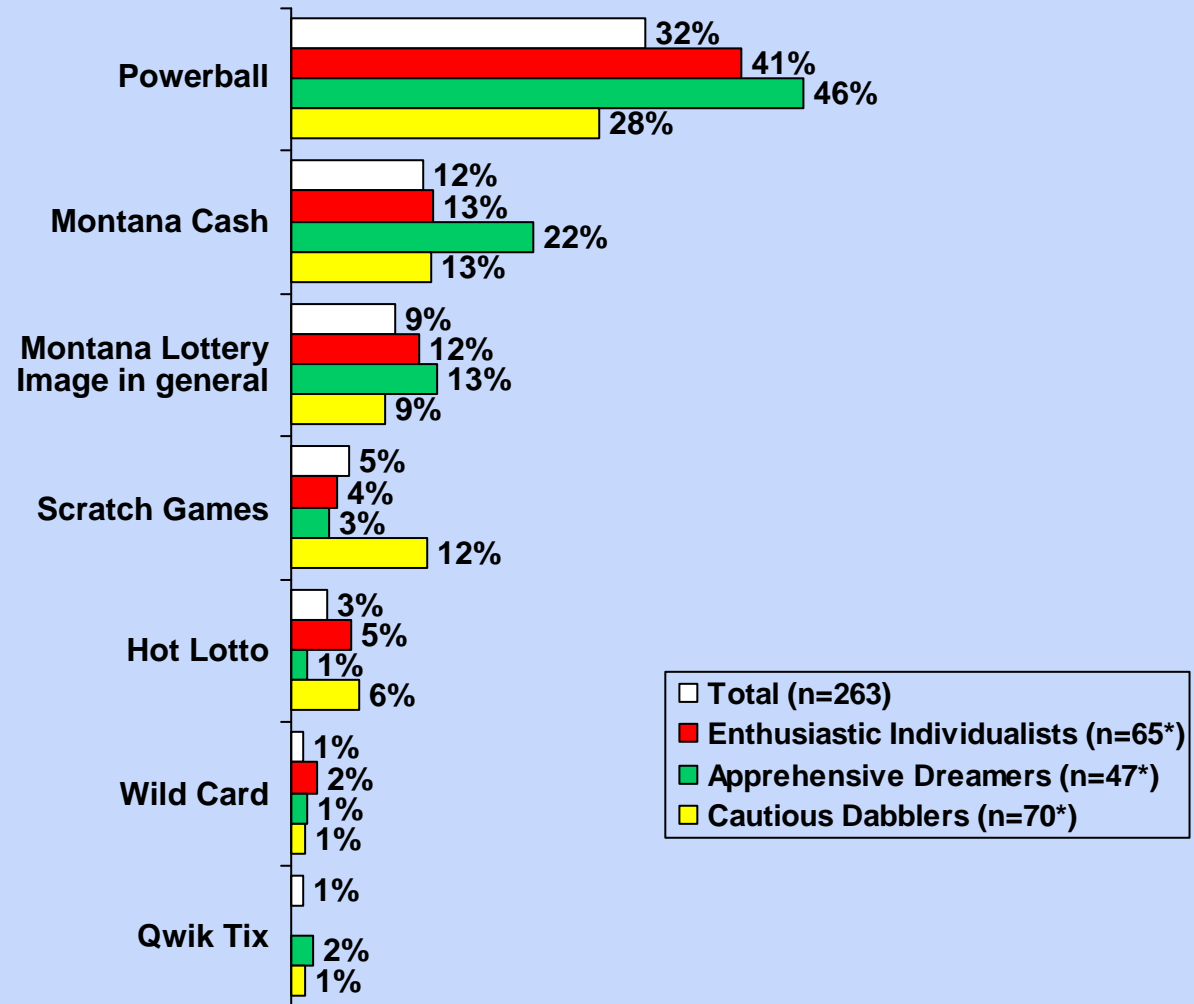


Base: Aware of advertising (n=467)



Ad Awareness of Lottery Games by Segment

a6. "Can you recall which Montana Lottery game or games, or other Lottery information this advertising was for?"

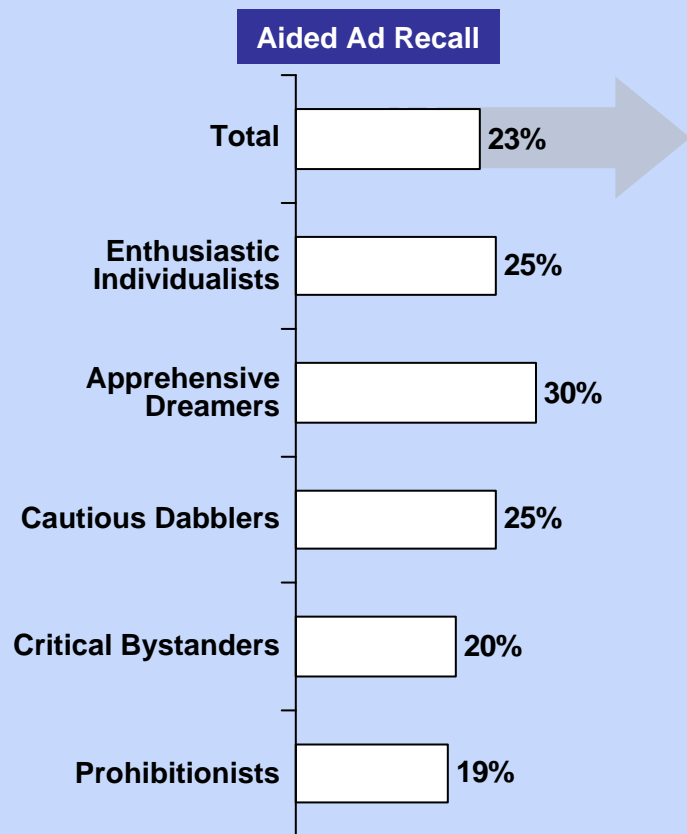


Base: Remembers something about the Montana Lottery *Caution: Small base size



Recall of Image Ads - Shop Rite, Good for Job & Farmer

a7. "One of three TV commercials that talk about when the Montana Lottery began and where money from the Lottery goes. In one ad you see a woman in a supermarket barreling down the aisle pushing a shopping cart straight at the camera and then she jumps on the back of the cart and flies past the camera howling with laughter. In another ad, you see a man in a business suit running down a dock at a lake and doing a cannon ball jump into the water. In a third ad, you see a farmer riding his tractor, kicking his legs up and down, yelling and waving his hat in the air. Can you recall having seen any of these commercials?"



Base: All respondents (n=800)

a8. "Other than reminding you to play the Lottery games, what do you think was the main message of those TV ads that you saw or what were some other things you can recall from these ads?"



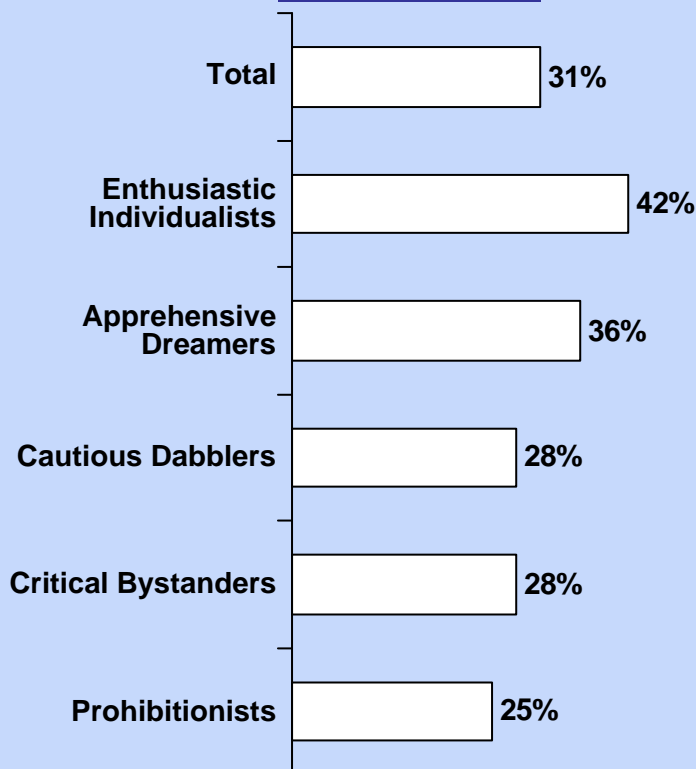
Base: Aware of Image Maintenance commercials (n=188)



Recall of Powerball Jackpot Image Ads - Rubber Band, Stamp & Toothpick

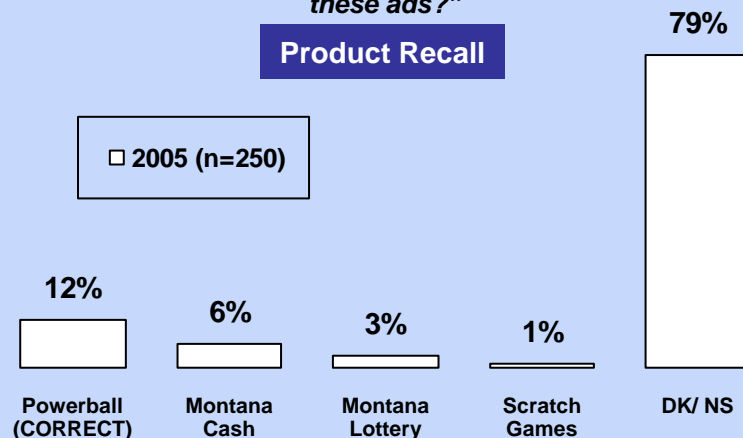
a9. "One of three TV commercials that talk about the size of a Lottery jackpot game. In one ad, you see a man with a huge rubber band as he snaps this last band on a huge rubber band ball. In another ad, a mailroom worker sitting at his desk slowly picks up a stamp, wipes the stamp across his swollen tongue, places it on a envelope, and then tosses it on piles and piles of envelopes. In a third ad, you see a man bent over a wood-working machine as he finishes a toothpick. He blows the dust of the toothpick, looks at it carefully, and then tosses onto the top of an enormous pile of toothpicks. Can you recall having seen any of these commercials?"

Aided Ad Recall



Base: All respondents (n=800)

A10. "Can you recall which Montana Lottery game was advertised in these ads?"



Message Recall

a11. "Other than reminding you to play the Lottery games, what do you think was the main message of those TV ads that you saw or what were some other things you can recall from these ads?"

	2005 (n=250)
Jackpot/ amount of money you can win	7%
Toothpicks/ showed a pile of toothpicks	5%
Something about \$10 million	5%
Something about the Powerball Jackpot	4%
Play responsibly	3%
Win the lottery and you don't have to work anymore/ work sucks	3%
Funny/ hilarious	3%
Can't win if you don't play	3%
Powerball Jackpot starts at \$10 million	3%
\$10 million is a lot	3%
Other	14%
Nothing/ just encouraging people to play	12%
DK/ NS	40%

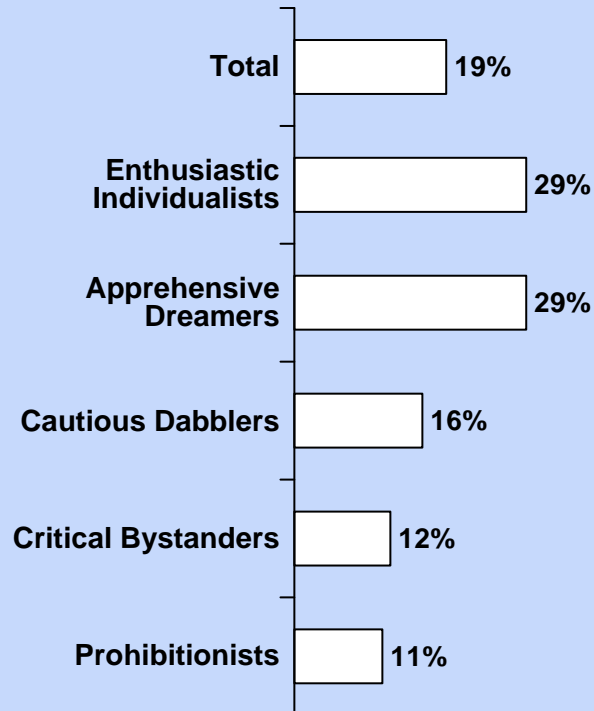
Base: Aware of Powerball Jackpot Image commercials (n=250)



Recall of Powerball Jackpot Alert Ads - Campers, Movers & Dentist

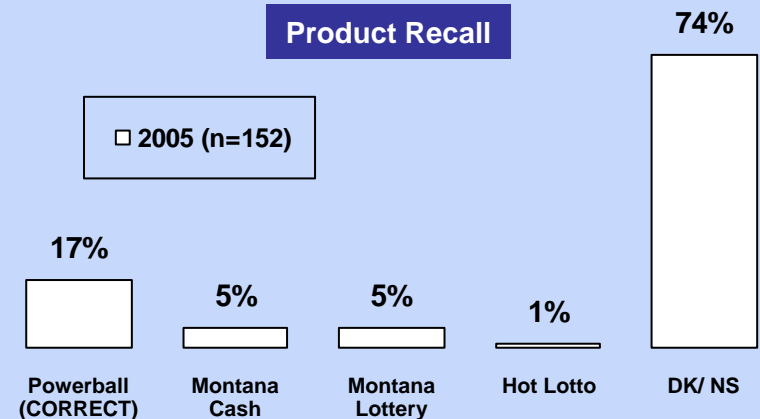
a12. "One of three TV commercials that talk specifically about the size of a lottery game jackpot. In on ad, you see a man walking into a campsite with an armload of firewood humming to the tunes on the radio. Then, you see in slow motion the campfire wood dropping from the man's arms. In another ad, furniture movers are struggling up the stairs with a couch and then, after you see the man at the bottom end of the couch shaking his head from side to side saying no, you see the couch bouncing down the stairs. In a third ad, you see a dentist working on his patient while humming to music. Then you see the man in the dentist chair, numb from the freezing, with a confused look on his face, calling for the dentist who has disappeared. In all three of these ads there is music on a radio in the background, and then the radio cuts to a Montana Lottery commercial that talks about jackpot sizes. Can you recall having seen any of these commercials?"

Aided Ad Recall



Base: All respondents (n=800)

A13. "Can you recall which Montana Lottery game was advertised in these ads?"



Message Recall

a14. "Other than reminding you to play the Lottery games, what do you think was the main message of those TV ads that you saw or what were some other things you can recall from these ads?"

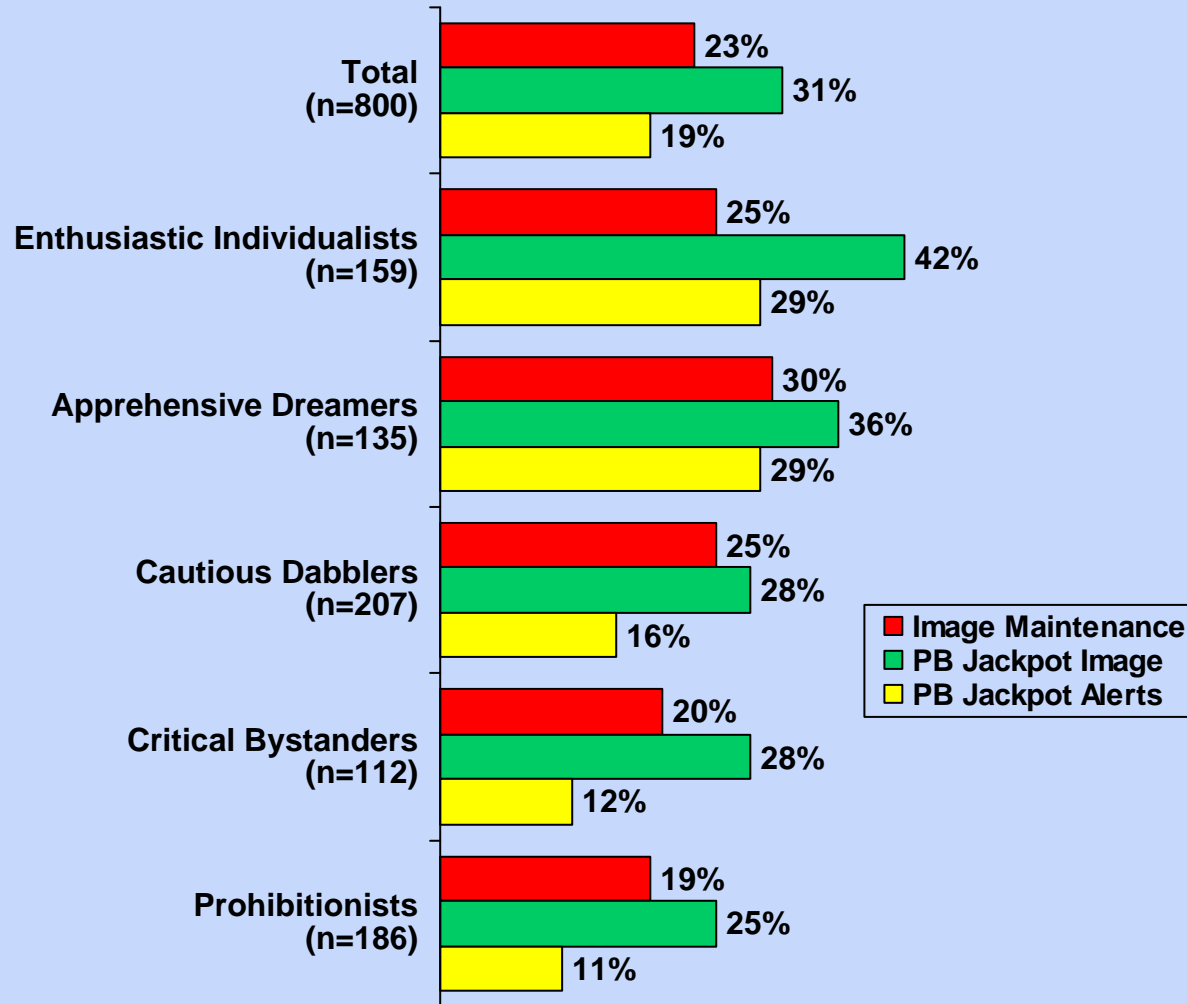
	2005 (n=152)
Play responsibly	8%
Lottery money helps the state/ general fund	7%
Jackpot size	7%
Drop everything	4%
Montana Lottery is for fun	4%
Dentist ad/ patient wondering where he went	3%
Other	21%
Nothing/ just encouraging people to play	20%
DK/ NS	30%

Base: Aware of Powerball Jackpot Image commercials (n=1520)



Ad Recall Summary by Segment

A7,a9,a12. "Can you recall having seen any of these commercials?"

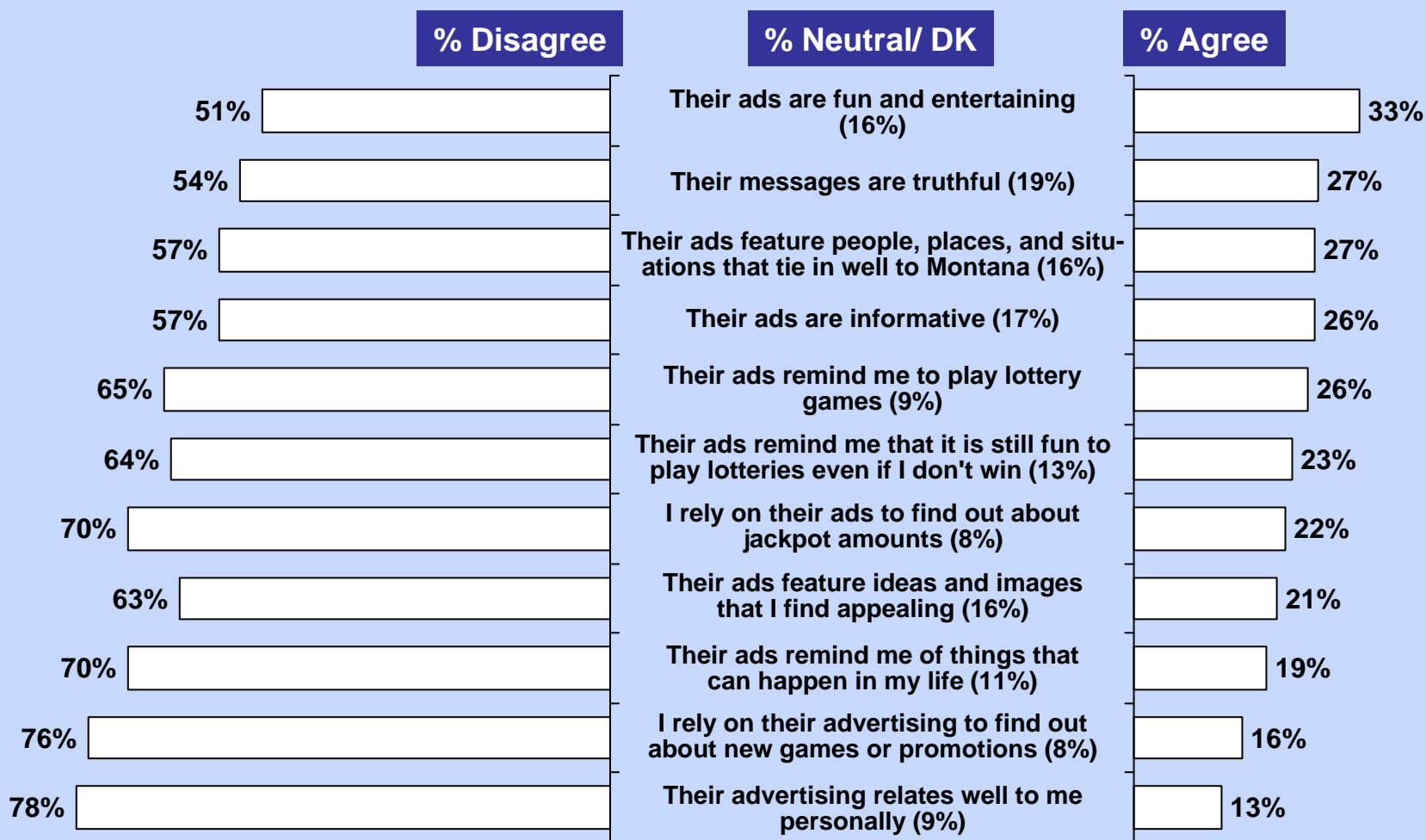


Base: All respondents



Opinion of Advertising

a15. "Here are some statements about the Montana Lottery advertising and messages you may have seen on TV or heard on the Radio over the past few months. Please tell me how you feel about each statement on a scale of '1' to '7', where '1' means you Strongly Disagree and '7' means you Strongly Agree with the statement. You can choose any number from 1 to 7."

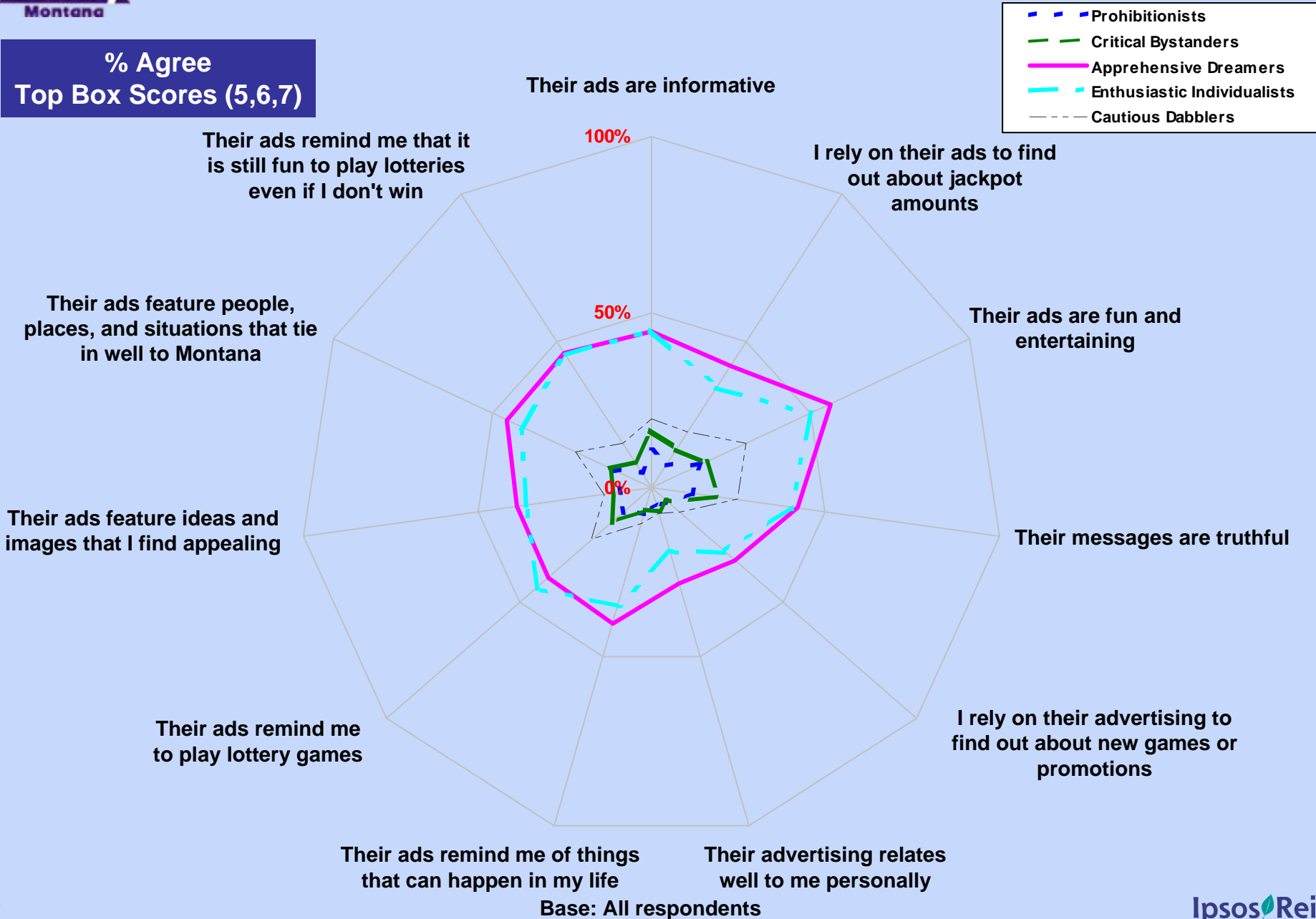


Base: All respondents (n=800)



Opinion of Advertising by Segment

% Agree
Top Box Scores (5,6,7)



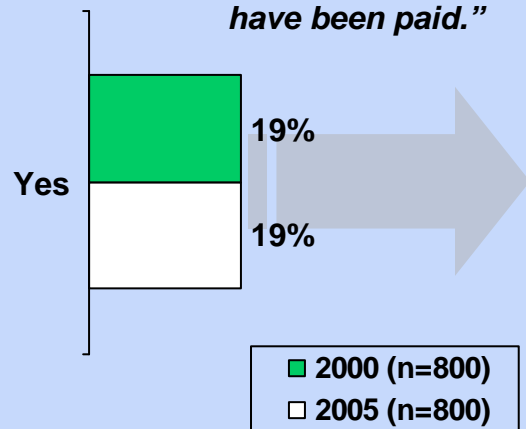
Awareness & Impact of Profit Distribution



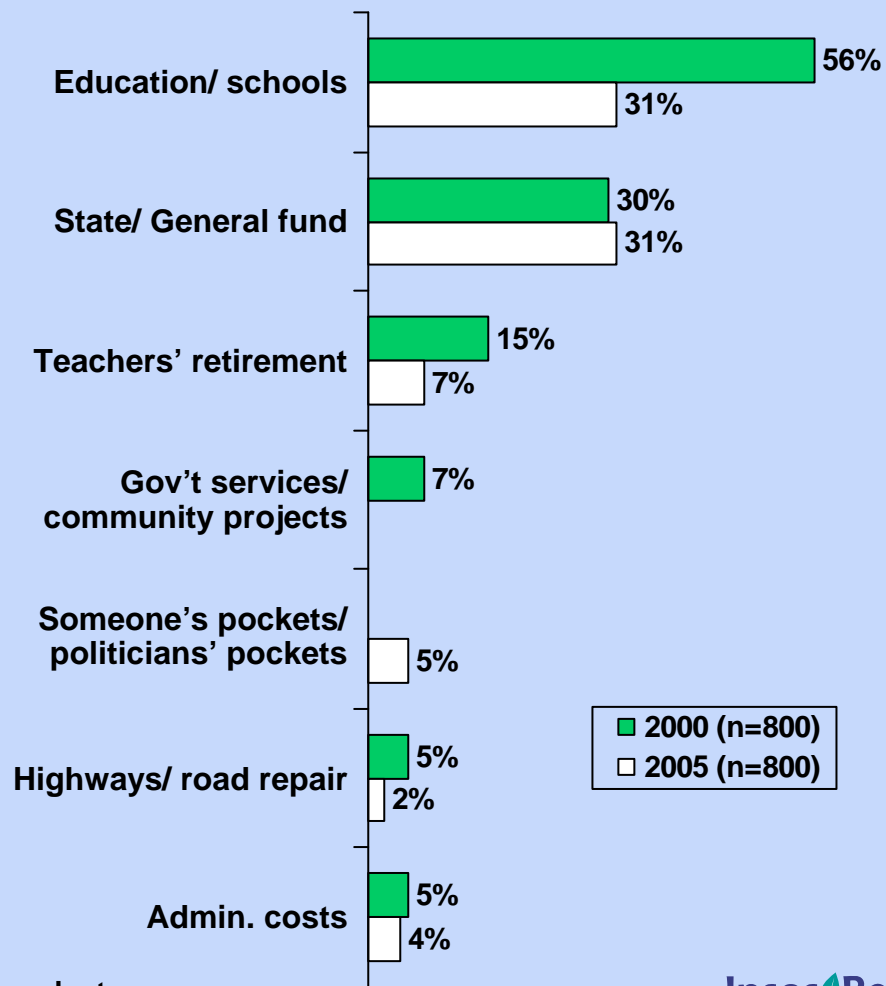


Awareness of Profit Distribution

b5. "Can you recall hearing, seeing or reading anything recently, about how net revenue from the Montana Lottery are used or where the revenue goes? by net revenue I mean the money left over after prizes and operating expenses have been paid."



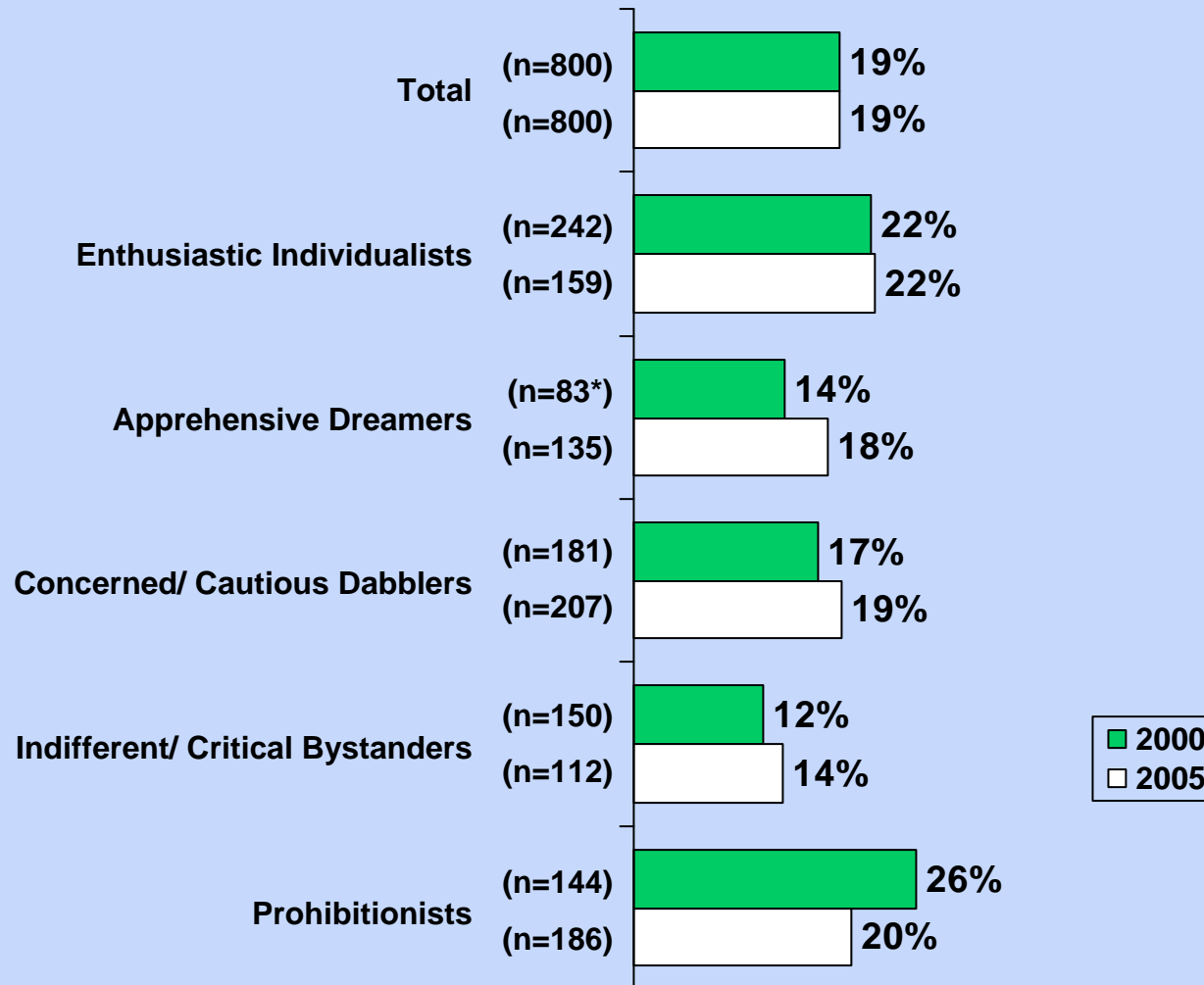
b6. "Where do you think proceeds from the lottery go?" (Unaided Awareness)





Awareness of Revenue Distribution by Segment

b5. "Can you recall hearing, seeing or reading anything recently, about how net revenue from the Montana Lottery are used or where the revenue goes? By net revenue I mean the money left over after prizes and operating expenses have been paid."



*Caution: Small base size



Awareness of Profit Distribution

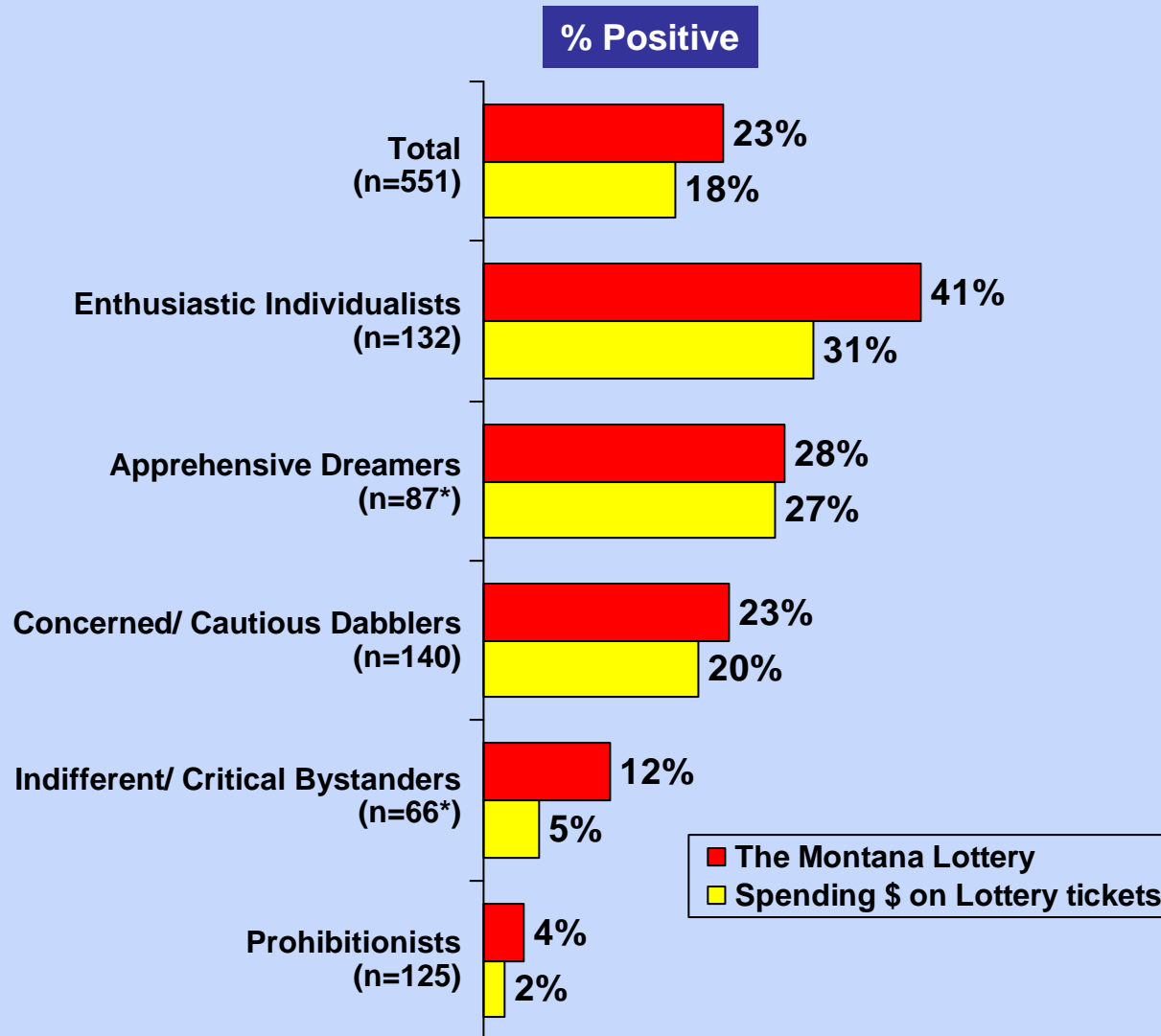
ab6a/b. "Where do you think proceeds from the lottery go? Do you think lottery proceeds go anywhere else?"

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
Education/schools	31%	35%	32%	28%	25%	32%
General Fund	18%	23%	12%	18%	16%	18%
To the state	13%	17%	8%	17%	10%	12%
Teachers' retirement	7%	8%	5%	7%	7%	6%
Someone's pocket/ politician's pockets	5%	4%	5%	4%	2%	10%
Administration/ overhead	4%	2%	4%	4%	3%	5%



Impact of Revenue Distribution on Lottery by Segment

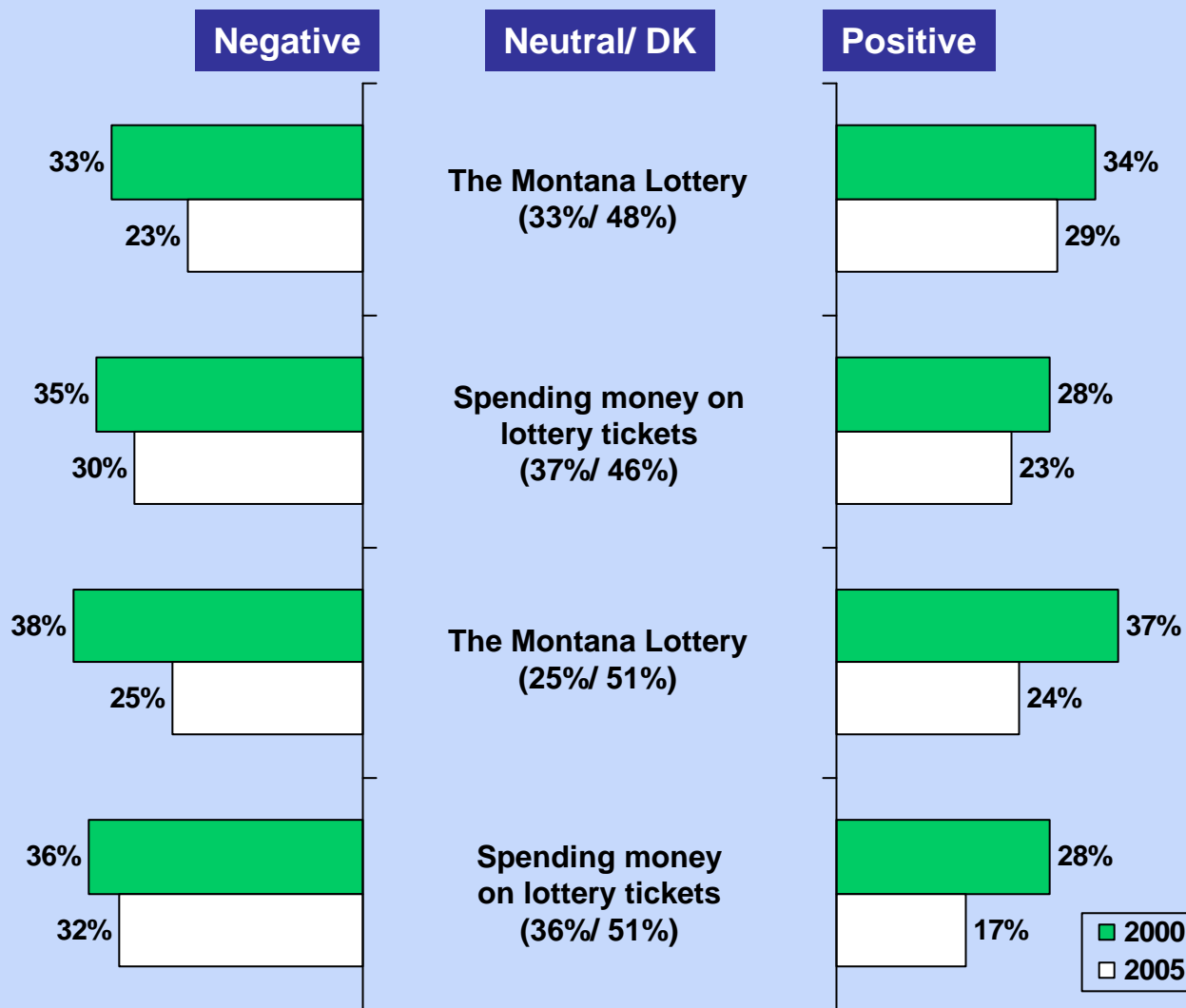
b7_1,b7_2. "Does that make you feel positive, negative, or neutral about ... "



*Caution: Small base size

Assuming Profits Go To...

b7a-b. "Does that make you feel positive, negative or neutral about ... ?"



**Lottery profits
go to education/
schools**
2000 (n=86*)
2005 (n=245)

**Lottery profits
go to the state/
general fund**
2000 (n=46*)
2005 (n=242)

**Note: Different skip pattern in 2000

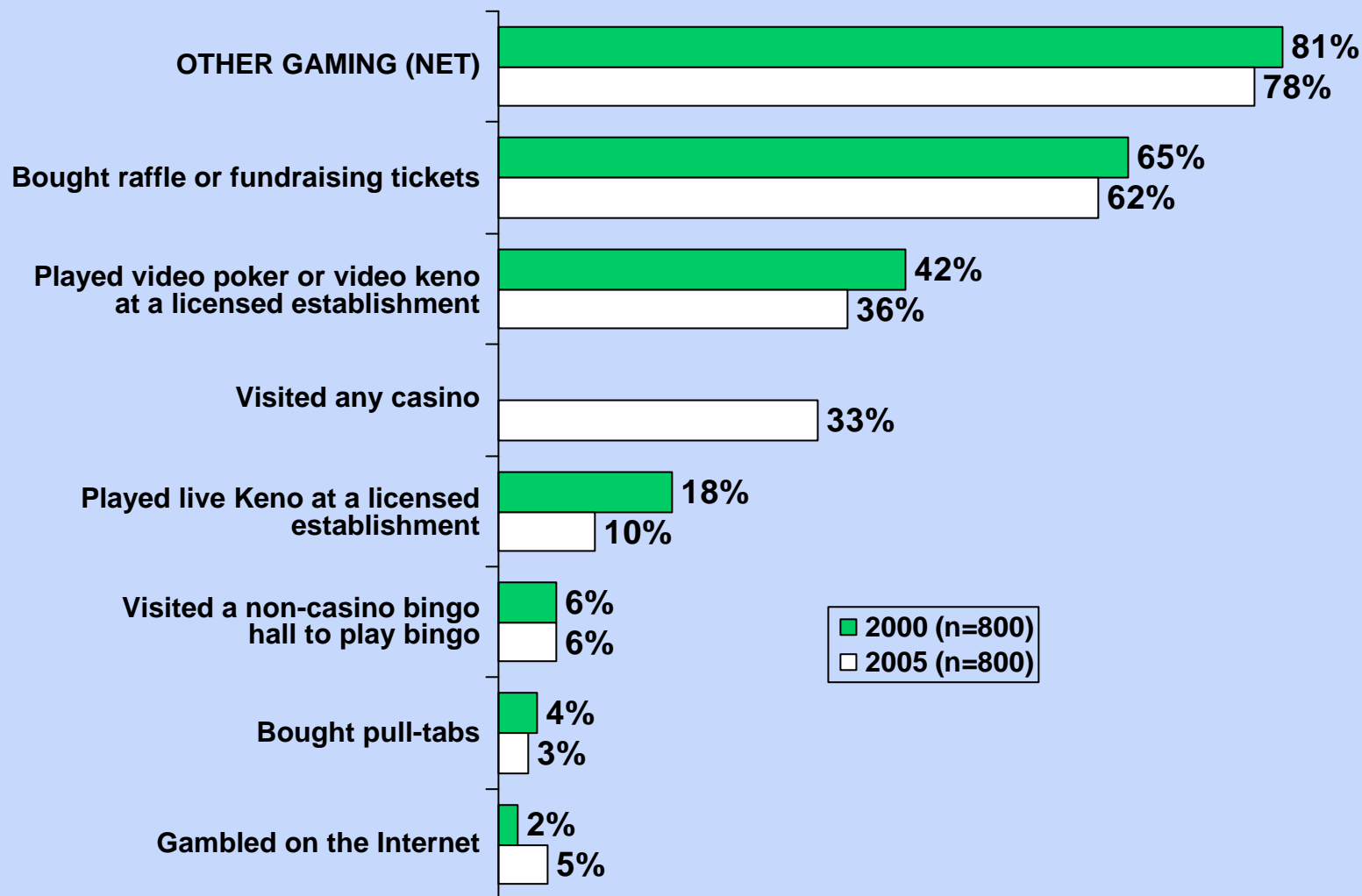
Base: Knows where proceeds from lottery go *Caution: Small base size

Other Gaming Review



Past Year Other Gaming Participation

e1. "Overall in the past year, on how many days or occasions have you ... ?"



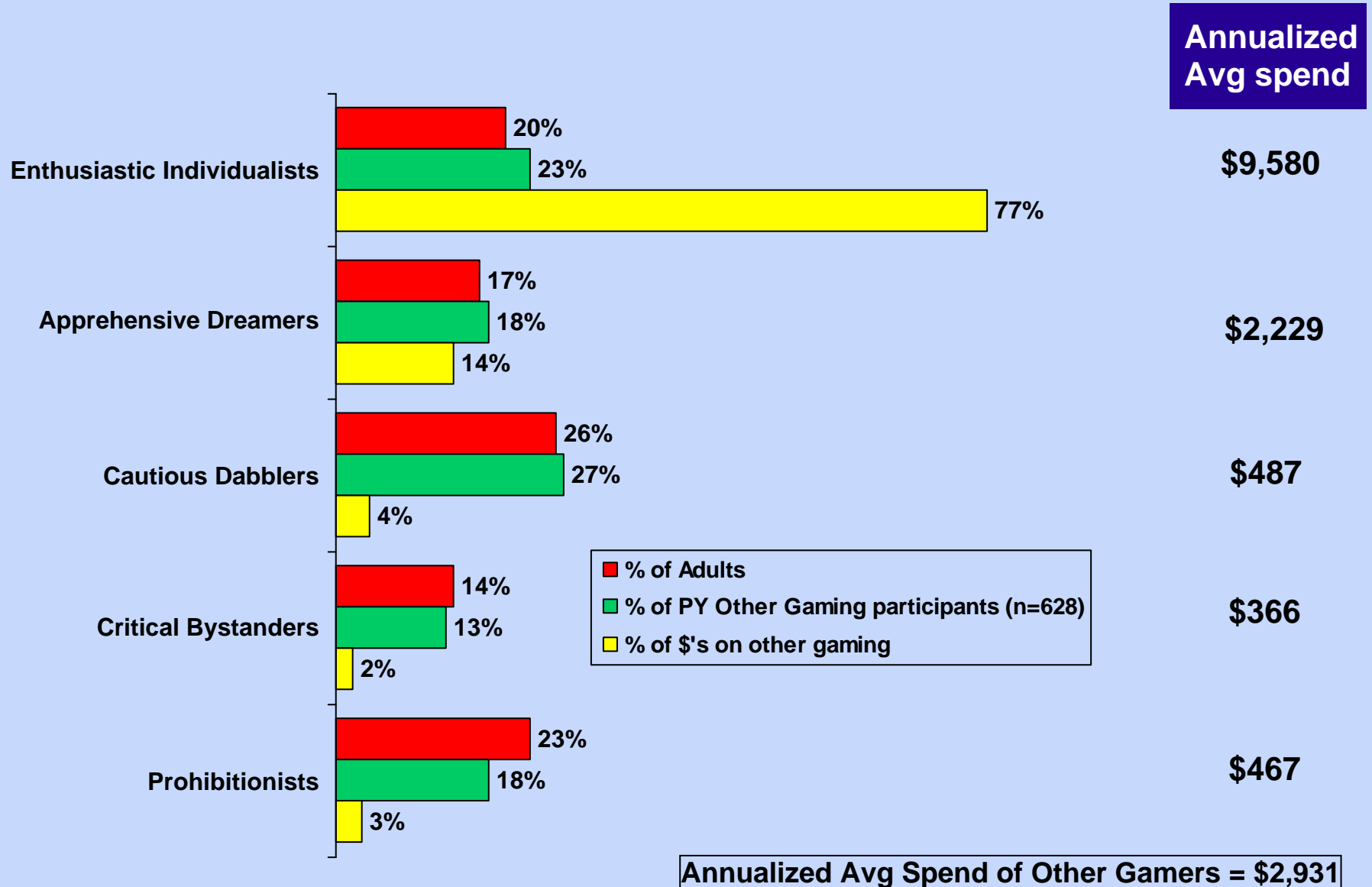
Base: All respondents

Other Gaming Participation by Segment

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
OTHER GAMING (NET)	78%	92%	86%	81%	76%	61%
-Non Internet Gaming (Sub Net)	78%	92%	84%	80%	76%	60%
>Visited a Casino of any type to gamble	33%	56%	48%	35%	22%	8%
>Bought pull tabs	3%	7%	3%	2%		1%
>Visited a non casino bingo hall to play bingo	6%	9%	8%	6%	8%	2%
>Played video poker or video keno at a licensed establishment	36%	63%	50%	37%	24%	9%
>Played Live Keno at a licensed establishment	10%	14%	21%	12%	3%	1%
>Bought raffle or fundraising tickets	62%	73%	61%	64%	58%	55%
>Played live poker	10%	18%	17%	10%	4%	3%
-Internet Gaming (Sub Net)	5%	11%	5%	3%	3%	2%
>Bet on horse racing off track or on the Internet	3%	7%	3%	3%	1%	2%
>Spent money playing Poker on the Internet	0%	1%	1%	0%		
>Spent money playing Blackjack on the Internet	1%	3%	1%		1%	
>Spent money on any other type of gaming on the Internet	1%	1%	1%	0%	1%	1%



Proportion of Other Gaming Participation & Spending By Segment



Internet Use



Internet Access by Segment

h1. "Do you currently have access to the Internet or online services either at ... ?"

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
INTERNET ACCESS (NET)	73%	79%	63%	73%	65%	78%
Home	63%	65%	55%	62%	59%	71%
Work	32%	38%	24%	29%	27%	38%
School/College/University	12%	12%	7%	16%	12%	10%



Activities Ever Done on the Internet by Segment

h2. "Which of the following activities have you ever done on the Internet?"

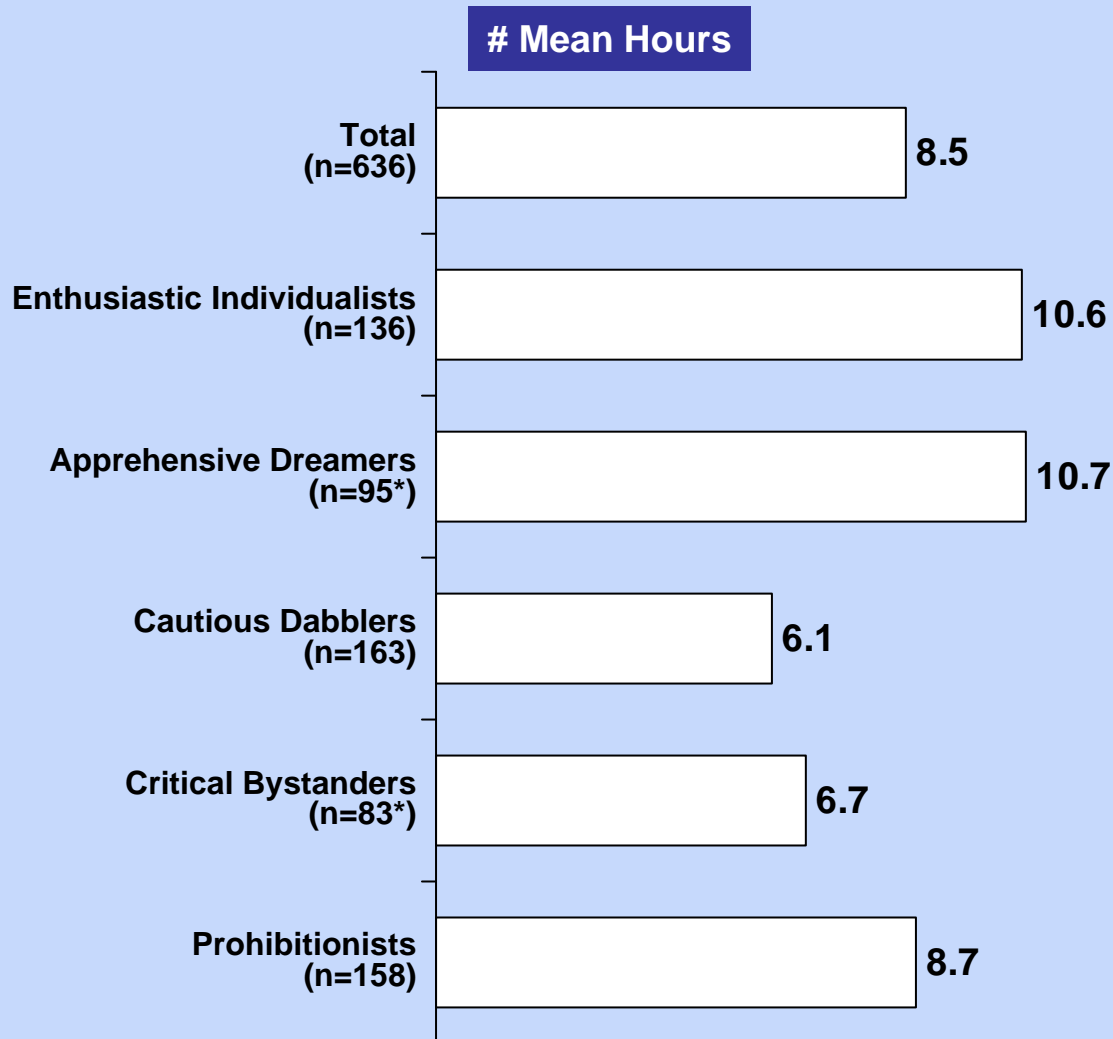
	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: Internet access	n=636 %	n=136 %	n=95* %	n=163 %	n=83* %	n=158 %
Clicked on a website advertising banner	27%	34%	32%	24%	24%	22%
Buy or sell stocks or other investments online	10%	9%	7%	9%	10%	15%
Conduct online banking or other transactions with your bank or financial institution	46%	50%	42%	42%	48%	46%
Comparison shop for a product which you eventually purchased elsewhere	68%	77%	58%	69%	67%	66%
Download music or MP3 files	32%	44%	30%	27%	37%	24%
Participate or join in an online discussion or chat session	30%	40%	27%	33%	28%	21%
Gamble or make wagers online	2%	5%	2%	1%	-	-
Place Internet telephone calls	6%	9%	4%	4%	5%	5%
Purchase a product or service directly online, that is, place an order for a product online	72%	77%	65%	71%	65%	75%
Send and receive e-mail	91%	92%	87%	93%	90%	90%
Obtained information online about travel destinations	77%	82%	64%	76%	85%	78%
Booked travel online such as air, hotel, or rental cars	55%	55%	48%	51%	50%	67%
Played games for fun and not for money	56%	74%	70%	58%	46%	36%
Clicked on a website advertising banner	27%	34%	32%	24%	24%	22%

***Caution: Small base size**



Average Number of Hours Per Week Spent on the Internet by Segment

h3. "In an average week, how many hours do you spend connected to and actively surfing the Internet?"

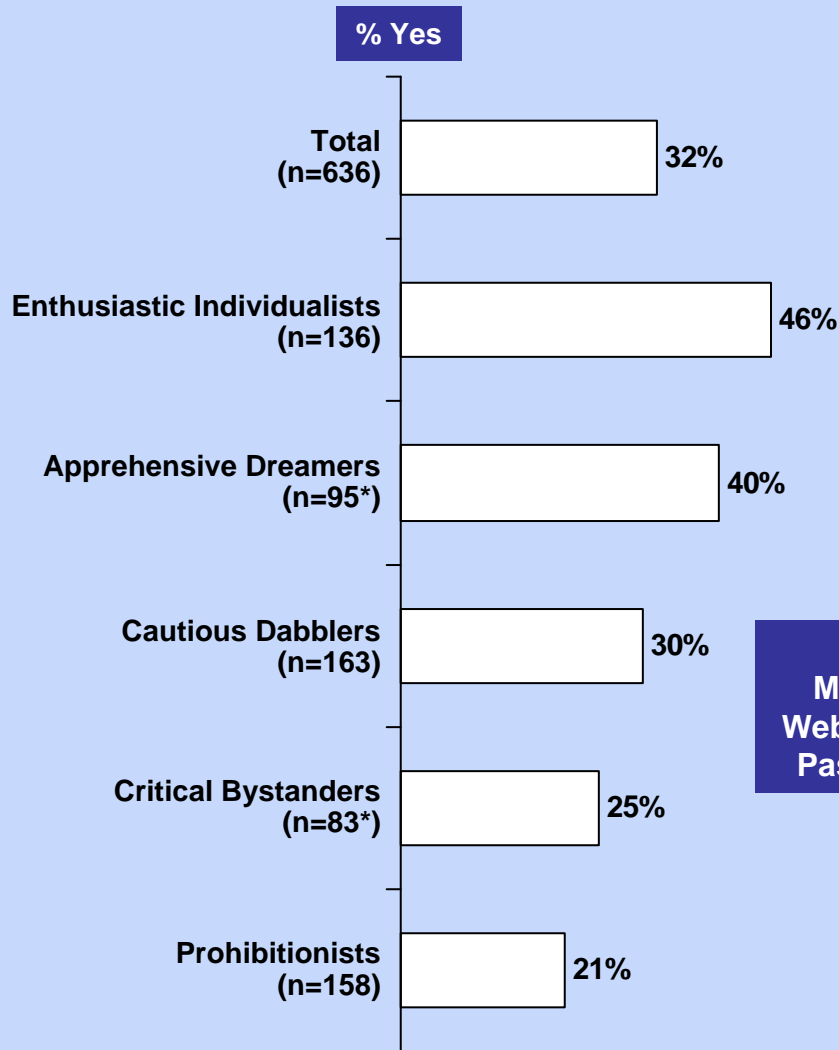


Base: Have Internet access *Caution: Small base size



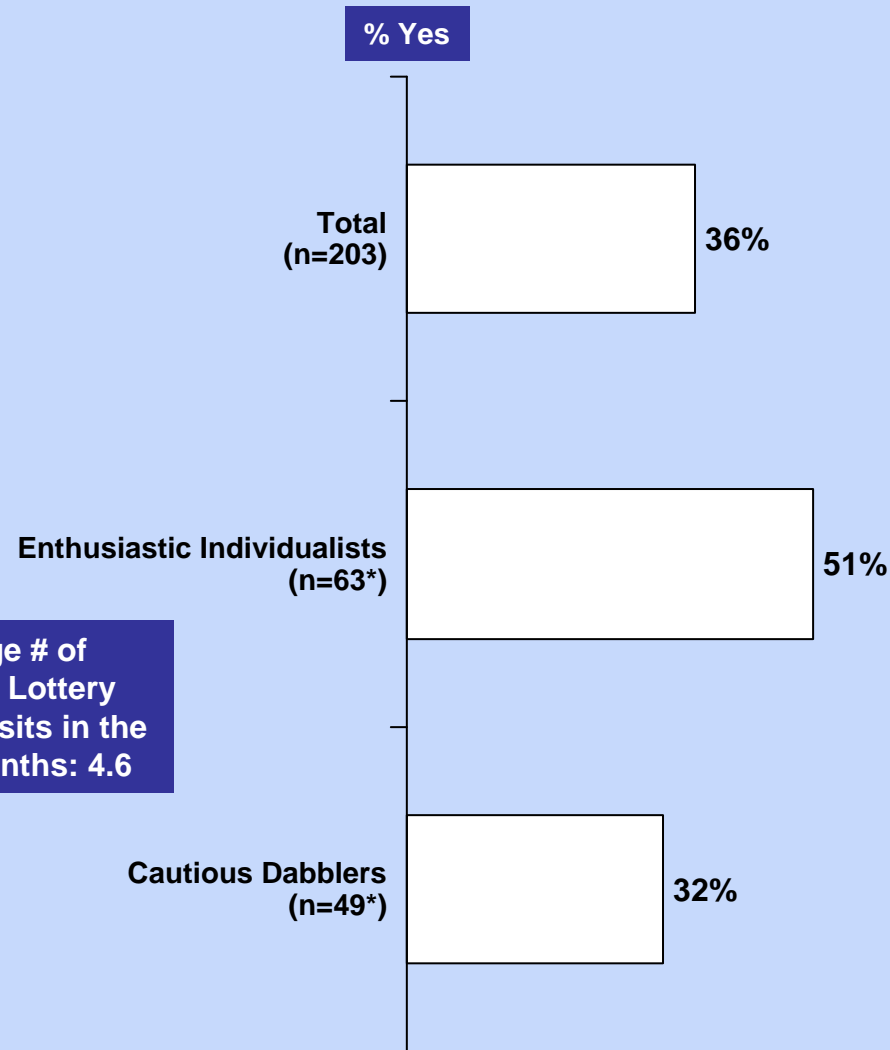
Awareness & Visitation of Montana Lottery Website

h4. "Are you aware that the Montana Lottery has a website?"



Base: Have Internet access

h5. "Have you ever visited the Montana Lottery's website?"



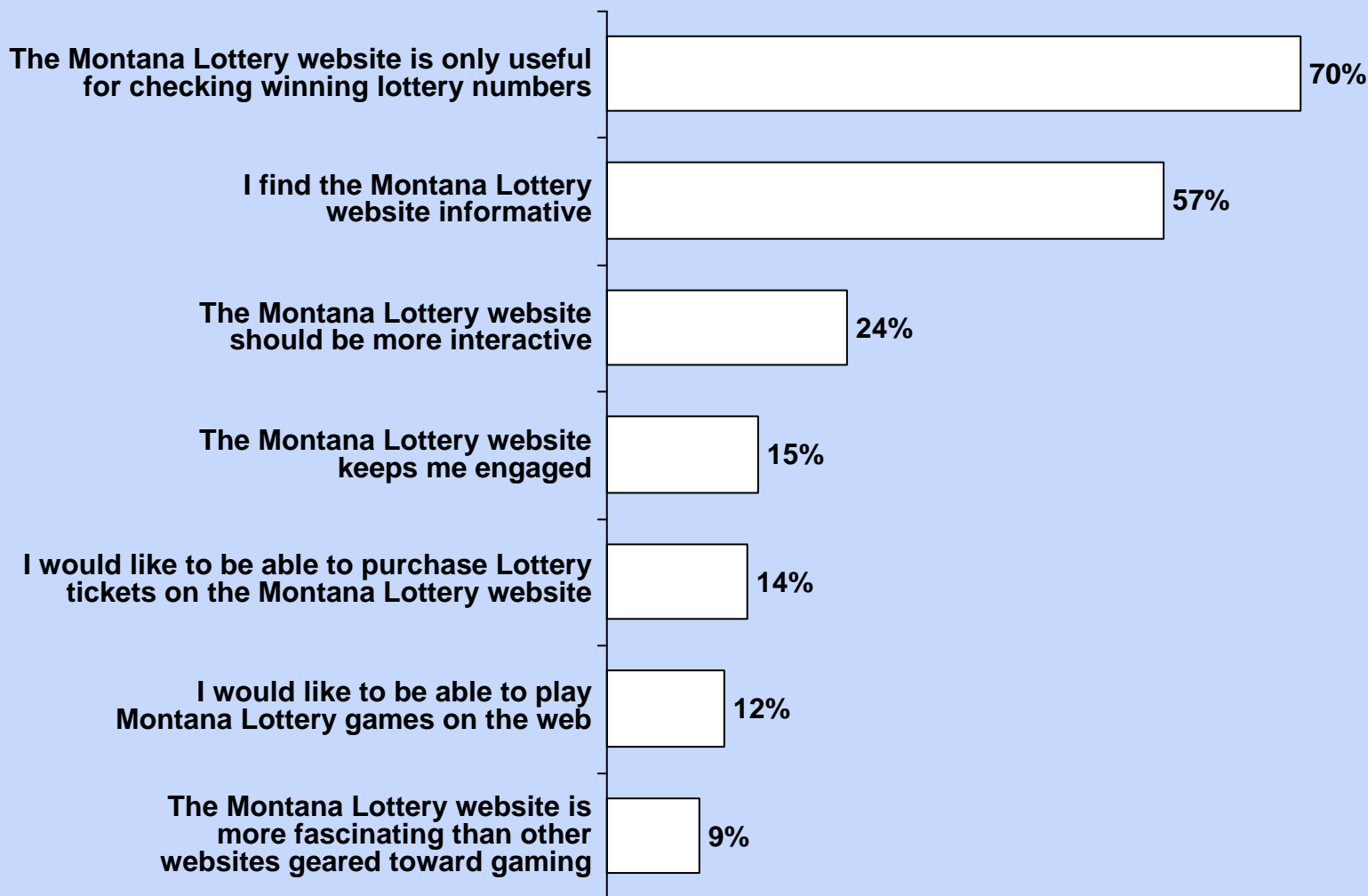
Base: Aware of Montana Lottery's website

*Caution: Small base size



Evaluation of Montana Lottery Website

h7. "Now I'm going to read you some statements that could be made about the Montana Lottery's website. For each statement, please tell me if you agree or disagree using a scale from 1 to 7, where 1 is 'Strongly Disagree' and 7 is 'Strongly Agree'. You can choose any number from 1 to 7."



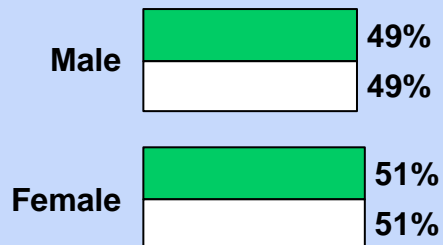
Base: Have visited the Montana Lottery's website (n=73*) *Caution: Small base size

Appendix

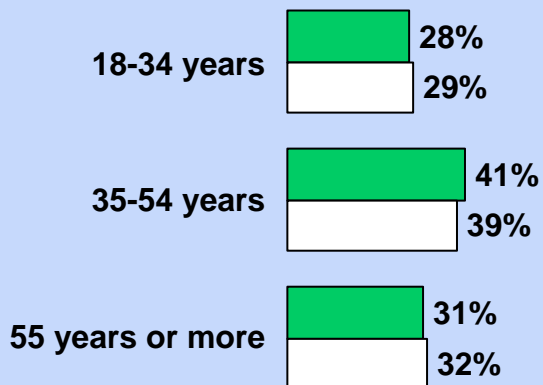


Study Demographics

Gender

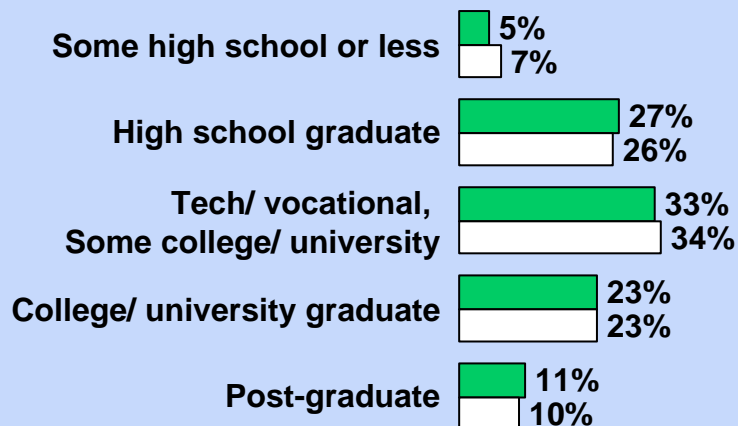


Age

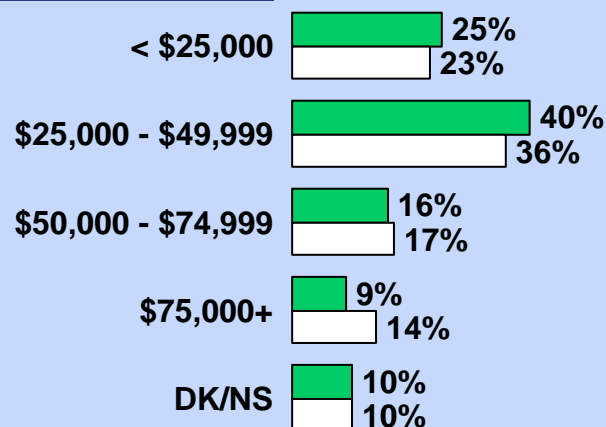


■ 2000 (n=800)
□ 2005 (n=800)

Education



Household Income





Demographics: Gender & Age by Segment

	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
Gender						
Male	49%	53%	53%	48%	57%	40%
Female	51%	47%	47%	52%	43%	60%
Age						
18 to 24 years old	14%	17%	10%	23%	15%	3%
25 to 34 years old	15%	23%	16%	9%	19%	10%
35 to 44 years old	18%	22%	18%	19%	12%	17%
45 to 54 years old	21%	18%	20%	18%	23%	25%
55 to 64 years old	15%	12%	15%	15%	14%	18%
65 years or older	18%	8%	20%	15%	18%	26%
2005 Mean age	46	39	48	43	47	53
2000 Mean age	46	42	45	47	43	56

*Caution: Small base size



Demographics: Education & Income by Segment

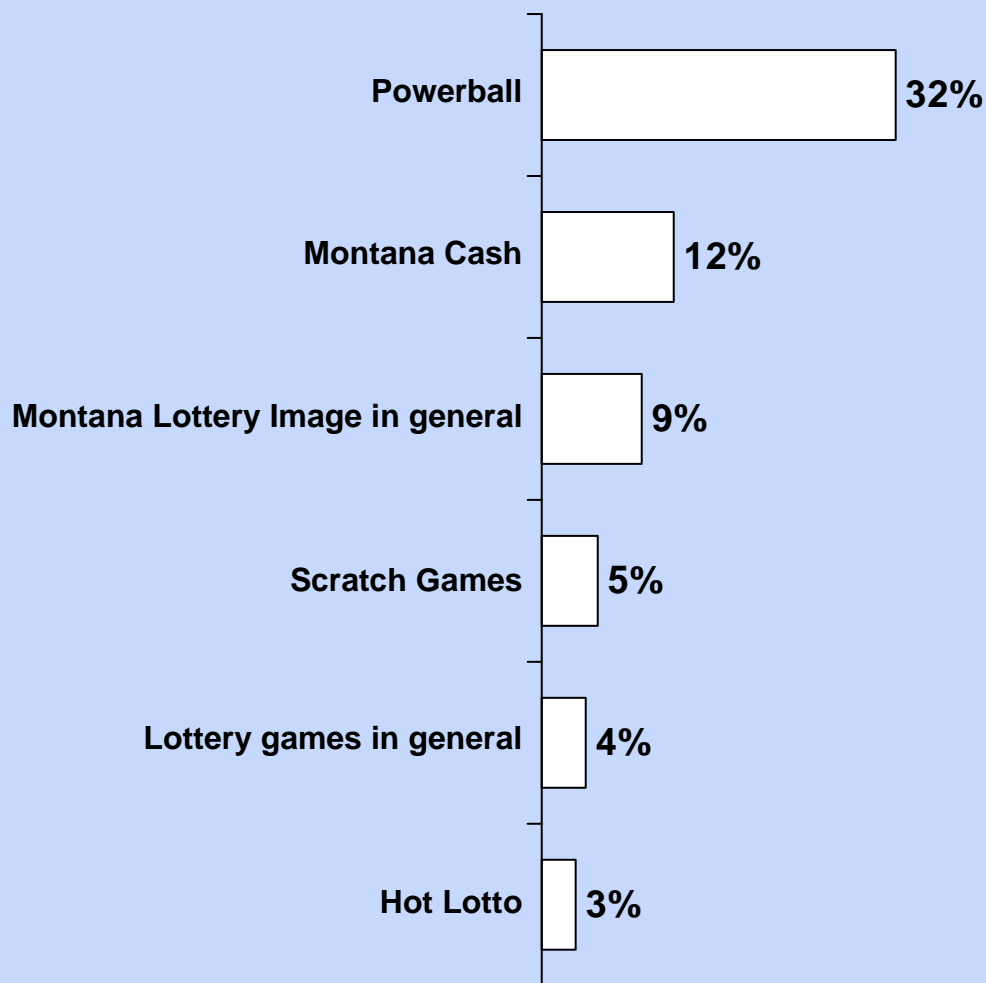
	Total	Enthusiastic Individualists	Apprehensive Dreamers	Cautious Dabblers	Critical Bystanders	Prohibitionists
Base: All respondents	n=800 %	n=159 %	n=135 %	n=207 %	n=112 %	n=186 %
Education						
High School or less	33%	31%	49%	37%	26%	22%
Technical/ vocational school or some college	34%	39%	32%	35%	32%	29%
University degree or post-secondary degree	33%	30%	19%	28%	42%	48%
Income						
Under \$15,000	9%	8%	14%	8%	10%	7%
\$15,000 to under \$25,000	14%	19%	18%	12%	18%	9%
\$25,000 to under \$35,000	14%	14%	16%	16%	16%	11%
\$35,000 to under \$50,000	21%	18%	24%	20%	20%	24%
\$50,000 to under \$75,000	17%	19%	12%	18%	17%	17%
\$75,000 and over	14%	17%	10%	12%	12%	17%

*Caution: Small base size



Recall of Products Advertised

a6. "Can you recall which Montana Lottery game or games, or other Lottery information this advertising was for?"



Base: Remembers something about the Montana Lottery (n=263)



Powerball Jackpots Prior to & During Fielding

DRAWS BEFORE FIELDING				DRAWS DURING FIELDING			
2000		2005		2000		2005	
Date	Jackpot	Date	Jackpot	Date	Jackpot	Date	Jackpot
May 20	\$46,800,000	Mar 16	\$10,166,550*	June 14	\$12,000,000	Apr 9	\$18,700,000
May 24	\$53,300,000	Mar 19	\$10,000,000	June 17	\$16,000,000	Apr 13	\$24,900,000
May 27*	\$60,000,000	Mar 23	\$12,100,000	June 21	\$18,200,000	Apr 16	\$31,800,000
May 31	\$10,000,000	Mar 26	\$19,100,000	June 24	\$22,400,000	Apr 20	\$38,400,000
June 3*	\$12,000,000	Mar 30	\$13,851,308*	June 28	\$26,300,000	Apr 23	\$46,300,000
June 7	\$10,000,000	Apr 2	\$10,000,000	July 1	\$30,900,000	Apr 27	\$54,200,000
June 10	\$12,000,000	Apr 6	\$12,000,000	July 5	\$35,000,000	Apr 30	\$62,800,000

Note: Highest Jackpot in last year - \$177,100,000 on Oct 6th, 2004

* Jackpot hit